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MARKET Issue for record

How to handle your bank manager p8

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How Scott Lithgow is coming back from the dead UK MERCHANT BANKS Fleming jumps the City gun p17

Gore Vidal's Lincoln and Life of Agatha Christie p12

Rugs rich and rare p13

WORLD NEWS

Alfonsin backs human rights report

Argentine President Raul Alfonsin has endorsed the full report on human rights violations under the previous military rulers and set up a human rights section in the Interior Ministry.

But in an apparent concession to the armed forces he has not published a full list of those responsible nor moved to arrest them.

The report estimated that 8,900 people were abducted and tortured, killed, and gave detailed testimony of the torture and killing of men, women and children. Page 2

Cash for miners sought The TUC launched a fund-raising campaign among affiliated unions to ensure the financial survival of the miners' union. Back Page

Libya seizes Briton Libya has seized a fifth Briton, Labour MP Bob Parry said. The man, not named, is being held without charge.

Problems for MX U.S. opponents of the MX missile claimed a victory after new voting procedures were agreed which will make it harder for the Administration to win funds for it. Page 2

Embassy search goes on The search for victims of the U.S. Beirut embassy bomb went on. The death toll may be about 10—much lower than at first thought. Page 2

Israeli plans unchanged Israel's new government still appeared determined to pull out of south Lebanon, and is playing down the significance of the massacre of 13 villagers on Thursday. Page 2

Nato chemical arms call Gen Bernard Rogers, Nato's supreme commander in Europe, said Nato should have chemical weapons to match those of Warsaw Pact countries. Page 2

Super-bomb found RUC security experts are studying a new type of terrorist "bomb" found in Londonderry, in which 25 vehicles were wired together and flash bulbs put in their petrol tanks to create a fire ball.

High tides predicted Coastal towns are preparing for tides next week which have been predicted to be the highest around Britain for 19 years.

Cheaper Mideast flights British Airways is to cut by up to £185 fares between Britain and Amman, Bahrain, Doha, Abu Dhabi, Dubai and Muscat.

Accused financier dies Italian financier Carlo Pesenti died hours before he was due to stand trial for involvement in the Banco Ambrosiano collapse. Page 2

Navy kills guerrillas Sri Lanka's navy said a patrol boat fired on three boats bringing guerrillas from India to Sri Lanka, killing 25.

Financial Times We apologise to readers, advertisers and distributors for the shortage of the FT yesterday due to action by machine-managers of the National Graphical Association.

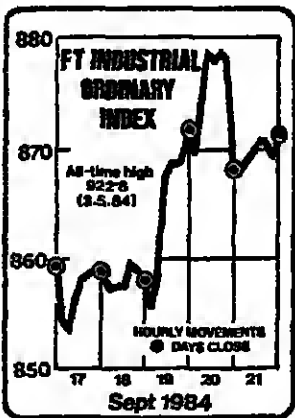
BUSINESS SUMMARY

Battle looms over U.S. import curbs

THE U.S. SENATE has approved a catch-all package of trade legislation in a surprise move which threatens to give protectionist lobbies another opportunity to curb imports.

U.S. special trade representative William Brock said the Bill could force the Administration to fight again some of the protectionist battles it thought it had won. Back Page

EQUITIES: Features were few as currency movements dominated the London stock markets. The FT Industrial Ordinary



index put on 3.2 for a gain of 12 points on the week at 871.4. Page 22

PAY SETTLEMENTS are rising for the first time since 1980, with the median settlement at 6 per cent in the three months to July against 5.3 per cent in the year to April, according to a survey. Page 4

NALGO, the white-collar local government union, is to urge its members to take their pay claim to arbitration after the employers refused to improve their 4.5 per cent offer. Earlier story, Page 4

ENOC (British National Oil Corporation) sent telex messages to all producers and buyers of North Sea oil recommending that official prices stay unchanged for the rest of the year. Page 4

CONSTRUCTION contracts worth almost £120m have been awarded to two British groups for building accommodation and a port at Mare Harbour in the Falklands—one to Wimpey and Taylor Woodrow and the other to Laing, Mowlem and Amey Roadstone.

U.S. COAL miners and mine operators agreed a pay and conditions contract which could prove to be the first peaceful settlement in the industry for 18 years if approved by union members. Page 2

RENAULT, French car maker, said a strike at its Le Mans plant could jeopardise production of the Super Renault 5. Page 2

BROKEN HILL Proprietary, Australia's largest company, increased first-quarter net profits by 40 per cent to A\$174.6m (\$115m) but warned that the improvement might not be sustained. Page 19

SWIRE PACIFIC diversified Hong Kong group, which owns Cathay Pacific Airlines, made its first-half profits of HK\$ 477.4m (£49m) against HK\$445.1m. Page 19

NEWS INTERNATIONAL, British subsidiary of Rupert Murdoch's News Corporation, reported a fall in annual pre-tax profit from £36.12m to £35.72m, but turnover rose by £46.08m to £437.89m. Page 18

BUNDESBANK INTERVENTION AND PRIME RATE CUT PROMPT FALL

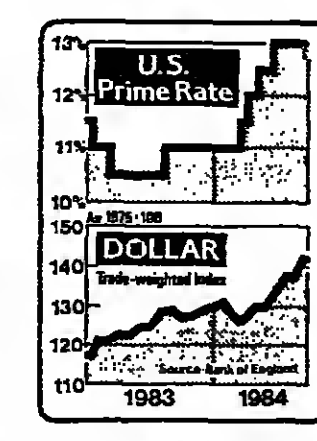
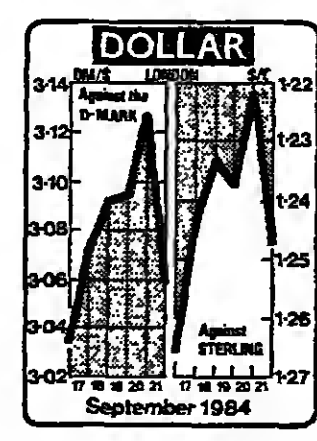
Dollar lurches sharply lower

BY PHILIP STEPHENS IN LONDON AND PAUL TAYLOR IN NEW YORK

THE DOLLAR plunged on foreign exchange markets yesterday after the West German Bundesbank intervened heavily to stem the U.S. currency's rise and a major U.S. bank cut its prime lending rate.

Dealers in London described foreign exchange trading as frantic, while early New York dealings were seen as "unbelievable" as a wave of selling developed and the U.S. currency fell in a series of sharp moves. It finished in London at DM 3.06, down more than 61 pfennigs on the day, having traded as high as DM 3.17. In New York it finished at DM 3.045.

Herr Karl Otto Poehl, president of the West German central bank, said it had sold "hundreds of millions of dollars" from its reserves yesterday afternoon. Senior monetary official said the sales amounted to at least \$500m, in what was the first intervention by the Bundesbank in the open market for several weeks.



The foreign exchange markets were swept by rumours that the U.S. Federal Reserve had joined the intervention, but Herr Poehl said he was unaware of such action by the U.S. authorities. Reports of intervention by other central banks in Europe could not be officially confirmed.

In Washington where finance ministers gathered for the International Monetary Fund meeting, Dr Gerhard Stoltenberg, the West German Finance Minister, said there had been overwhelming consensus among finance ministers and central bankers of the five major countries meeting in Washington on Thursday night that the dollar had become overvalued.

He said the heavy intervention in the currency markets by the Bundesbank did not, however, signal any change in intervention policy. It partly reflected the lower trend of interest rates in the U.S.

But Dr Stoltenberg cautioned that they would have to "wait and see" whether this fall in interest rates would be sustained. Senior central bankers also in Washington confirmed that intervention policy had been actively discussed among the major powers.

The U.S. and UK Treasuries have long been against regular intervention in the currency markets, believing it is not possible for the authorities to move exchange rates against the tide of market sentiment. However, the U.S. has agreed that intervention is justified in occasions when markets become "disorderly".

Talks in Washington this week have been dominated by the Dollar Strength, Page 17; Money Markets, Page 21; Lex, Back Page

Continued on Back Page Editorial Comment, Page 16; The Dollar Strength, Page 17; Money Markets, Page 21; Lex, Back Page

Liberals rally behind Steel

BY PETER RIDDELL, POLITICAL EDITOR IN BOURNEMOUTH

MR DAVID STEEL, the Liberal leader, rallied his party enthusiastically behind him yesterday, with a strong attack on the Prime Minister's pledge that his aim was to form an Alliance Government after the next General Election.

In an hour-long speech to the Liberal Assembly in Bournemouth, which finishes today, Mr Steel also urged a new initiative in the miners' strike. He said that Mr Ian MacGregor, chairman of the National Coal Board, should step down immediately, to be replaced by someone like Mr Eric Varley, the former Labour Cabinet Minister and now chairman of the Coalfields Group.

Mr Steel called for establishment of a community rehabilitation programme to restore run-down mining communities, and for a ballot on the strike. He urged immediate recall of Parliament, which is almost certain to be refused, so that an Alliance Bill could be presented which would allow the demands of 10 per cent or more of a group of workers, such as the miners, to be sufficient to necessitate a national ballot.

Mr Steel's speech was greeted with a standing ovation lasting more than 10 minutes. This longer-than-usual ovation, some senior Liberals suspected, was because the Assembly wanted to demonstrate support for Mr Steel and

to at one for its vote on Thursday, against his wishes, for removal of all cruise missiles from the UK.

The Liberal leader successfully defused the cruise question early in his speech by stressing the virtues of the defence resolution as a whole. He is taking a relaxed view of the "defeat, and like the Social Democrat leadership hopes that any differences can be resolved over time, partly through the joint Alliance Commission on Disarmament.

Yesterday Mr Steel made clear his plan to continue as leader of the party until after the next election, removing doubts on this score which arose following recent criticisms. But the Assembly has seen the emergence of Mr Paddy Ashdown, MP for Yeovil, as a potential successor.

The Liberal leader concentrated in his speech on attacking the Government, largely ignoring the Labour Party. His emphasis was distinctively different in several ways from that of Dr David Owen, the SDP leader. This reflects the Liberals' view that the Tories are their main opponents and Labour their competition, whereas Dr Owen has attacked both equally.

Mr Steel said: "The Alliance's task is to finish the job we began at the last election of elbowing Labour out of the way and going for Government in 1987 or 1988."

This was a "realistic aim" after recent successes. The Assembly marked the start of a three-year election campaign, he said.

The goal of outright victory, shared by Mr Roy Jenkins, the former SDP leader, contrasts with Dr Owen's stated public belief that an Alliance group holding a balance of power after the next election is a more realistic aim which the electorate is more likely to believe.

Mr Steel said he was ready to work with others in the event of failing to obtain an overall majority. Despite his obviously greater sympathy for working with Labour than with the Tories under Mrs Thatcher, he denied speculation about a Lib-Lab pact.

He broadened his tack from the charges made by Dr Owen ten days ago against the competence of the Government to question its "whole sense of values," saying that plenty of people had "good reason to hate and fear Mrs Thatcher in a Britain whose enviable record of tolerance she has so successfully destroyed."

Mr Steel won his warmest applause and laughter for a passage attacking the Cabinet. "The iron lady's team is no match at all for that of the Steel Man."

Conference report, Page 4; Disraeli myths, Back Page

BL cuts net loss by 25% in first half

By Kenneth Gooding, Motor Industry Correspondent

BL THE state-owned vehicles group, reduced its net loss by more than a quarter in the first half of this year, from £48.2m in the same period of 1983 to £34.9m.

However, Sir Austin Eide, chairman, has not made a forecast for the rest of 1984. He pointed out in his statement accompanying the figures, published yesterday, that trading prospects continue to be uncertain for many parts of BL's business.

There is still little likelihood of an early recovery in export markets and worldwide overcapacity has led to fierce competition in virtually all vehicle markets.

Demand for cars in Britain in the second half might fall below the corresponding period in 1983.

Continued on Back Page Lex, Back Page

GM and U.S. car union settle

BY TERRY DODSWORTH IN NEW YORK

GENERAL MOTORS and the United Auto Workers Union reached a settlement early yesterday on a three-year wages contract after a big bargaining session which prevented an all-out strike at the 11th hour.

Neither GM, the world's largest motor manufacturer, nor the UAW would comment on the details of the agreement, which still has to be ratified by the 350,000 union members working for the company.

It is believed that the deal would give employees up to 3.5 per cent on basic wages in the first year of the contract, followed by about 5 per cent over the next two.

Following the conclusion of the talks in Detroit, which had shown signs of drifting onto the rocks in the last few days, the union announced that it would be calling back 91,000 workers who have been on strike for the last week in a selective stoppage over local issues.

Mr Owen Bieber, president of the UAW, emerging confidently from his first big wages con-

frontation, said on a television programme that the union had made an "excellent" settlement providing "much-deserved economic improvements immediately and in the years ahead."

In a reference to the difficult issue of job security, on which the union had been sticking out for strong guarantees, he added that jobs in GM were "more secure than ever in history."

Mr Bieber added that he believed the agreement would also provide the basis for a settlement with Ford, the second largest of the U.S. motor groups, where the negotiations were frozen by the union during the bargaining with GM.

Mr Alfred Warren, GM's chief negotiator, said that customers, shareholders and suppliers would benefit from the increased competitiveness arising from the agreement.

Wall Street responded favourably to the announcement, marking GM's shares up by 1 1/2 in early trading to \$77 1/2. The in-

tial reaction to the deal was that it should allow GM to keep its costs under control, while providing little encouragement for other organised labour forces to make a big push for higher wages.

The details of the agreement are not due to be released until the union leadership meets its 300-man general council next Wednesday, but GM appears to have driven a hard bargain on the basic wages issue.

The union had been asking for increases which would be consolidated into the basic wage on which pension and other social security benefits are calculated. However, at least some of the payments in the second and third years of the contract will be given as bonuses rather than absorbed into the basic rate.

In addition, some of the cost-of-living adjustments, automatic payments which are made on the basis of movements of the price index, would also be ineligible for consolidation.

Third World hopes of debt aid dashed

BY MAX WILKINSON IN WASHINGTON

FINANCIAL LEADERS of the eleven major industrial powers yesterday closed the door on the Third World's hopes for a more liberal policy towards its problems of debt and stagnation.

However, growing support was evident for a spring meeting of finance ministers in discussion of longer-term approach to Third World debt and the role of the international financial institutions.

At a preparatory meeting for the annual conference of the International Monetary Fund and World Bank here, the Group of Ten industrial nations now including Switzerland, as an eleventh member, agreed that the Fund should continue with its recent very strict policy on assistance to the Third World.

Specifically they agreed that the maximum help available to fund members should be progressively reduced during the next few years.

And they congratulated Mr Jacques De Larosiere, the IMF's managing director, on his extremely cautious approach towards requests for help over the last 12 months.

The rich nations' club was meeting at the same time as the Group of 24, representing the Third World, was calling for a substantial increase in the resources of the Fund and the Bank, with more generous terms available for Fund assistance.

In its communiqué yesterday the Third World group drew attention to the many problems of developing countries at a time when U.S. economic growth seemed to be turning down while the European economies remained weak, with steadily rising unemployment.

The countries called for a substantial hand-out of Special Drawing Rights (SDRs), the Fund's reserve currency, to help hard-pressed members.

Their demands were, however, flatly ruled out by the consensus reached in the Group of Ten, although France in particular has been sympathetic to the Third World's case.

Mr Donald Regan, U.S. Treasury Secretary, said last night that the U.S. supported the idea of a conference on world debt problems early next year. The idea had been proposed earlier in the day by Mr Nigel Lawson, the Chancellor.

The gathering would take the form of a meeting of the Development Committee, the

joint body for those ministers who control the IMF and the World Bank.

Many World Bank officials hope this meeting might be a step towards integrating the Bank's softer, more growth-oriented approach to countries in difficulty with the IMF's sharper disciplines.

On the question of access to the Fund's resources, the richer nations agreed that the present rules, which allow some extended help, should be continued for next year at least.

The U.S. continues to argue that the present limits are too generous. These allow countries to receive help of between 100 and 125 per cent of quota subscriptions in any one year, with a cumulative limit of 408 to 500 per cent over four years.

No new formula has yet been agreed, but it seems likely that as a sop to the U.S. the annual limits may be reduced.

On the other hand most European countries believe that, if the Fund is to continue to do its job as a catalyst for re-scheduling of Third World debts, the cumulative limits of access will need to remain.

Consequently, some monetary officials believe it unlikely that a formal agreement can be reached on this issue this side of November's U.S. presidential election.

In the series of formal and informal meetings due to take place over the next few days, the World Bank will argue strongly that the authorities of the major countries must shift their focus towards the need for growth in the Third World, as opposed to restrictive discipline.

The Bank's case is that the debt problem cannot be solved in the long run by a continuing tightening of fiscal and monetary policies in Third World countries, because this would lead to intolerable political strains.

The Bank believes, therefore, that a more "positive" approach will be needed during the next five years, to promote investment-led growth and exports from debtor nations, and that the Bank may gradually become the leading international institution, as the Fund's temporary programmes are phased out.

There is, however, great uncertainty and scepticism within the Fund, and among some developed nations about how such a changeover could be accomplished.

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MARKETS

Table of market data including DOLLAR, STERLING, LONDON MONEY, STOCK INDICES, and U.S. CLOSING RATES.

Table of market data including GOLD, CONTINENTAL SELLING PRICES, and other financial indicators.

CONTENTS table listing various sections and their page numbers.

For London market and interest rate index, 01-345 8028; overseas markets, 01-345 8056

OVERSEAS NEWS

Rogers in plea for chemical weapons

By Bridget Bloom in Hildenheim
GENERAL Bernard Rogers yesterday advocated that Nato should have stocks of chemical weapons which could match those of the Warsaw Pact.

Gen Rogers' remarks come as pressure is building up on British politicians from military commanders to allow British forces to be equipped with chemical weapons as a deterrent to those deployed by Warsaw Pact forces.

However, Mr Michael Heseltine, the British Defence Secretary, and Mr Manfred Woerner, the West German Defence Minister, poured cold water on suggestions that Nato should rearm with chemical weapons when they held a press conference near here yesterday.

Both men were visiting the British Army exercise Lionheart. Mr Heseltine acknowledged that Warsaw Pact deployment of chemical weapons was a threat which preoccupied British forces. But he said that Britain's policy was to seek an international ban on such weapons, while making sure that British forces had adequate defences against them.

Yesterday Gen Rogers said he would like the U.S. to restart production of modern chemical weapons.

Gen Rogers made it clear he was far from satisfied with the procedures under which these U.S. weapons would be released. In what seems bound to be a controversial move within Nato, Gen Rogers revealed that all attempts to get Nato ministers to discuss the possible release of chemical weapons in war had failed.

Gen Rogers said that he had to have political authority to release any weapons of mass destruction. But whereas there were formalised procedures for political consultation which would authorise him to release nuclear weapons in war, no such procedures existed in Nato in the case of chemical weapons even though he was assigned by the alliance with the political responsibility to retaliate in kind after a chemical attack.

U.S. coal mine wage pact reached

By PAUL TAYLOR IN NEW YORK

U.S. COAL MINERS and mine operators yesterday reached an tentative agreement on a new wages and conditions contract which, if approved by the union's members, would be the first peaceful settlement in the industry for 18 years.

The agreement, hammered out in the early hours of yesterday, came as the two sides, the United Mine Workers union (UMW) and the Bituminous Coal Operators' Association representing 32 mine operators in the East and Mid-West, neared a crucial "informal deadline" for negotiations.

MX missile programme faces new obstacle

By REGINALD DALE, U.S. EDITOR IN WASHINGTON

A MAJOR obstacle has been placed in the path of President Ronald Reagan's controversial MX intercontinental missile programme following lengthy negotiations between congressional and Administration representatives on the pace of the U.S. arms build-up.

Under strict new voting procedures agreed as part of the fiscal 1985 defence budget, the Administration will have to win each of four separate votes next spring—two in each House—if funds are to be released for further missiles.

Democratic opponents of the giant 10-warhead missile in the House of Representatives yesterday claimed a major victory.

In my opinion, the MX will never be deployed," said Mr Tim O'Neill, the House Speaker. "It is my belief that the defeat of the MX is well in hand."

The agreement, approved only reluctantly by the White House, unlocked a congressional logjam on defence spending that had held up the entire budgetary process. The military budget still has to be approved by both houses, but that is not expected to present much difficulty.

The compromise reached on Thursday night would put

The current 40-month contract, which covers about 70,000 of the UMW's shrinking 160,000 membership—almost a quarter of whom are laid off—is due to expire at midnight on September 30.

The informal deadline was set to allow time for the union's members to ratify the tentative agreement. The rank-and-file vote on the agreement has been set for next Thursday.

The agreement involves a 10.25 per cent increase in wages, a total of \$1.40 per hour, over 40 months. According to union officials, the top daily

wage of an underground miner will rise to \$124.52 at the end of the contract in January 1988, against \$113.92 now.

The pact which also includes increases in pensions for retired miners and widows, gives miners two additional days off this year.

The miners won new job security measures in the pact but they were not thought to be as extensive as the union had hoped.

Mr Rich Trumka, the UMW's senior union officials later yesterday on the terms of the new

contract. That meeting was also due to select potential strike targets among the coal mines not covered by the agreement.

It is believed, however, that the union may have won some of its job security demands in return for agreeing to the mine operators' demands for cost savings, particularly in medical benefits.

In earlier settlements this year, UMW members won between 10 and 14 per cent pay increases over the life of 36-42 month contracts in individual negotiations with mine operators in the West.

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defence appropriations for fiscal 1985, which begins on October 1, at \$22.2bn (£24.4bn), a real increase of about 5 per cent over this year's projected \$26.42bn.

Mr Reagan, after originally asking for an unrealistic 13 per cent, came down to 7.5 per cent last spring. House Democrats had originally proposed 3.8 per cent.

The settlement provides \$2.5bn for the MX in fiscal 1985, of which only \$1bn would be immediately available, and that exclusively for the first 21 missiles approved last year. The remaining \$1.5bn will be

subject to two votes in each house—one to authorise, and one to appropriate the funds.

Should the funds go through, the money is expected to be enough for 15 more missiles. One vote against would halt further missile production.

Advocates of the MX pointed out that the programme was by no means dead and could get a new lease of life if the Republicans make big gains in November's congressional elections.

But the voting arrangements finally adopted reflect the strength of anti-MX feeling in the current Congress.

Mondale blames blast on security 'lapses'

By Reginald Dale, U.S. Editor, in Washington

MR WALTER MONDALE, the Democratic Presidential challenger, yesterday blamed a "serious failure of security" for Thursday's bombing of the U.S. Embassy annex in East Beirut and called on the Reagan Administration to answer "serious questions" about the incident.

Aware of the danger of trying to make political capital out of a national tragedy, Mr Mondale carefully declined to blame President Ronald Reagan directly for the disaster.

He said, however, that Mr Reagan was responsible for the Administration's "central policies" in the Middle East.

Mr Mondale ticked off a list of what he said were security lapses at the embassy and blamed the Administration for a "lax response," following warnings that an attack was imminent.

He charged the Administration with failing to implement the recommendations of State Department and Congressional committees that had investigated previous attacks on U.S. installations in Lebanon.

Tony Walker in Beirut adds. Rescue workers were still searching through the rubble of the wrecked U.S. embassy annex for victims of the blast.

There is confusion about the number of casualties, but a U.S. embassy spokesman said that eight to 10 people appeared to have been killed, and perhaps several dozen injured.

This is many fewer than the original estimate, which put fatalities at more than 20 and possibly as many as 40. Casualty assessment is difficult because it is not clear how many Lebanese were queuing for visas outside the embassy when the bomb went off.

Two Americans are known to have been killed in the blast. Their bodies were flown to Larnaca in Cyprus yesterday, to be sent on to the U.S.

The U.S. and British ambassadors escaped serious injury. Mr Reginald Bartholomew, the U.S. envoy, left hospital in a wheelchair yesterday, after a shrapnel had been removed from his body. He had cuts to his face and head but was well enough to be interviewed for American television.

Mr David Miers, the British ambassador, is recovering in hospital and is expected to be out during the weekend. Mr Miers, 47 and a popular and avuncular figure in Beirut, was said today by a spokesman to be "frustrating the embassy from his bed."

Tel Aviv tries to play down killing of Shia villagers

By OUR TEL AVIV CORRESPONDENT

ISRAEL'S new Labour-led Government still appears determined to withdraw the army quickly from South Lebanon and to try to play down the long-term significance of Thursday's massacre of 13 Shia villagers.

The killings were carried out by Druze members of the South Lebanon Army (SLA)—the militia Israel hopes will eventually police South Lebanon along with UN forces.

Serious doubts have long existed about the reliability of the predominantly Christian, 2,000-strong SLA, which is armed, trained and financed by Israel.

In private, Israeli officers dismiss the force and say it would, like the regular Lebanese army in the past, probably splinter into religious factions when faced with a stern challenge.

Israeli officials aware that the army's hopes of withdrawing from Lebanon depend on how soon an alternative force can replace it, insisted yesterday that the SLA should not be written off.

Mr Shimon Peres, Israel's Prime Minister, made clear in a speech yesterday that the killings had not softened his determination to end the occupation.

Mr Uri Lubrani, Israel's co-ordinator for South Lebanon, called the killings "an aberration," and said it would be unfair to judge the SLA by one

incident. "This must not influence long-range decisions," he declared.

Correspondents who visited the massacre scene in the village of Sabur were told that 15 Druze SLA members gunned down a crowd of unarmed local men who had been lined up for interrogation.

The victims were being questioned by Israeli soldiers and the SLA about a rocket attack on an SLA patrol-car in which four Druze were killed.

Israel's commander in the area, only identified as Lt-Col Giorah, said that he saw the massacre. Israeli officers and Brig Antoine Lahad, the SLA chief, ran to shield the defenceless villagers with their own bodies.

As he spoke, distraught widows screamed at the Israelis: "You should have protected us."

Apart from the 13 dead, 22 village men were wounded, eight of them seriously.

The massacre coincided with a visit to Jerusalem by Mr Brian Urquhart, UN Under-Secretary-General who has been touring the Middle East to discuss the future of the 5,700-strong UN peace-keeping force in South Lebanon.

According to local newspapers, Mr Urquhart told the Israelis that Damascus and Beirut understood Israel's security needs in South Lebanon, but had ruled out the use of the SLA.

Israeli unions agree to extra taxation on income

By OUR TEL AVIV CORRESPONDENT

ISRAEL'S new Government, which is trying to implement urgent austerity programmes, has persuaded trade unions to accept extra income taxation during the next four months.

Agreement in principle was reached by Mr Yitzhak Modai, the Finance Minister, and the Histadrut trade union federation, but will not be finalised until details of other proposed new taxes are settled.

From next month, an additional 10 per cent levy will be imposed on salaries and all other incomes. It will be scaled down gradually to 5 per cent during the following months and part of it may be treated as a compulsory loan to the state.

However, Mr Yisrael Kessar, the Histadrut secretary-general, is still fighting Government plans to reduce the cost-of-living increments, which link workers' salaries to the rate of inflation, now 400 per cent.

Mr Shimon Peres, the Prime Minister, and his Government have made the economy their priority. They are trying to slash demand and cut living standards to 1982 levels. Mr Peres is anxious to show he is tackling the crisis effectively, before he goes to Washington next month to appeal for further U.S. aid.

Since it took office a week ago, the Government has agreed in principle on a \$1bn cut, or about 5 per cent, in the annual budget and has accelerated devaluation of the shekel.

Electricity and postal charges have been raised and Mr Modai's measures are expected to include reduction in food subsidies, and increased taxation on cars and luxury goods.

Unlike the last two prime ministers, Mr Peres is personally involved in the economic programme and heads the four-man team supervising the spending cuts, which are meeting considerable opposition, notably from the Education Ministry.

Two experts who briefed a special eight-hour Cabinet session on the economy, said they believed the cuts would have to be doubled, to \$2bn, if the inflation rate were to be brought to less than 100 per cent.

Volcker protege heads Federal Reserve Bank

By OUR NEW YORK STAFF

MR GERALD CORRIGAN, a 42-year-old veteran of the U.S. Federal Reserve Board system, was appointed yesterday to the influential position of president of the New York federal reserve bank.

He takes over from Mr Anthony Solomon who retires at the beginning of January at the statutory age of 65.

The appointment brings a strong protege of Mr Paul Volcker, chairman of the Fed, into the most important banking job in the system.

The New York bank conducts the open market operations of the Federal Reserve Board, and is also in charge of currency intervention on behalf of the U.S. monetary authorities.

Mr Corrigan, who spent 11 years with the New York bank before being named as president of the Federal Reserve Bank of Minneapolis in 1980, is known as a middle-of-the-road banker with no strong ideological leanings.

He said yesterday that he had never voted against a majority decision of the Federal Reserve Board and stressed that he was not a monetarist.

At the New York bank, he filled a variety of posts, including economic research and planning, before taking charge of open market trading desk.

During this period he formed a strong alliance with Mr Volcker, who was then chairman of the bank, moving with Mr Volcker to Washington when he became chairman of the Federal Reserve Board.

Alfonsin endorses human rights report

By JIMMY BURNS IN BUENOS AIRES

PRESIDENT Raul Alfonsin of Argentina has taken his boldest move since he took office by publicly endorsing the first full report exposing human rights violations under the former military regime.

Nonetheless, in an apparent concession to the armed forces, he has not published a full list of all those responsible nor moved immediately to arrest them.

The report's estimates of 3,960 Argentines abducted and presumed killed, and of over 300 secret detention camps, detained of testimony of torture and summary execution without trial of men, women and children, adds little to what has already been disclosed by international human rights organisations.

But the publication of the report constitutes an important political statement. In addition to throwing up fresh evidence substantiating allegations of human rights violations which could be a key instrument in future court action against those responsible.

The report strongly condemns the way a perceived threat to national security by left-wing terrorism was used by the military as an excuse for the liquidation of anyone judged to be a political dissident.

"The armed forces reacted worse than that perpetrated by their enemy... because they could count on the impunity of the state to kidnap, torture and assassinate thousands of human beings... We have the certainty that the military dictatorship ordered the greatest tragedy in our history," the report said.

It is understood there are over 1,000 military personnel, of all ranks named in the full report but President Alfonsin has withheld publication of their names until formal charges are brought against them by the courts.

President Alfonsin yesterday paid tribute to the 11 commission members—bishops, writers, journalists and lawyers—whose investigation has taken nine months.

Outside the Presidential Palace, some 70,000 people gathered in a rally organised by the ruling Radical Party and supporting the Commission.

Renault warns strike may jeopardise new model

By DAVID HOUSEGO IN PARIS

RENAULT, the French automobile maker, warned yesterday that a strike at one of its major plants could jeopardise production of the new Super Renault 5, which is to be launched on Monday.

The state-owned group's factory at Le Mans in western France, which employs 8,000 people, was paralysed yesterday by a strike that began early in the morning. Pickets at the factory gates prevented employees from reporting for work. But the strike, about holidays and year-end bonuses, had the support of the Communist-led CGT unions and the pro-Socialist CFTD.

The new car's launch is to coincide with the Paris motor show. This is considered one of the most important cars Renault has produced for 25 years.

The strike at Le Mans, which was accompanied by stoppages at other Renault plants, followed a threat of large-scale job losses at Renault. The group is expected to announce cuts of up to 15,000 jobs in an effort to stem losses, which amounted to FF1.6bn (£138m) last year.

The strike yesterday was in protest at moves by the management to reduce the usual year-end bonus and to compel staff to take their fifth week of paid leave at Christmas, but pay claims and pressure for talks on job losses lie behind these grievances.

The management said yesterday that the strike was in breach of established negotiating procedures but proposed talks.

Ambrosiano financier dies

By ALAN FRIEDMAN IN MILAN

SIG CARLO PARENTI, the Italian Catholic financier who was due to stand trial yesterday for criminal involvement in the collapse of Banco Ambrosiano, died in Montreal's general hospital just hours before the Milan proceedings began.

Sig Parenti was to stand trial with 12 other defendants on charges of fraudulent bankruptcy, misappropriation of shares, false financial disclosure and illegal currency exports.

At the start of the trial, Sig Parenti's lawyer said his client was in hospital in Canada with heart ailments. Then, as the first of the various Ambrosiano proceedings got underway, word came about Sig Parenti's death filled the Milanese courtroom.

Sig Parenti was a director of the late Sig Roberto Calvi's Banco Ambrosiano.

Grenada poll on December 3

By OUR NEW YORK STAFF

ST GEORGE'S—Grenada's interim Government said last night that elections would be held on December 3 to return the Caribbean island to democracy following last year's U.S.-led invasion.

Mr Paul Scott, the Governor-General, said he would invite observers from the United Nations, the Commonwealth and the Organisation of American States (OAS).

The democratic constitution of the former British colony was swept aside in 1979, when the leftist New Jewel Movement (NJM) seized power in a coup. The U.S.-led invasion followed.

Grenada's last election, in 1976, was won by the right-wing United Labour Party (ULP) which will contest the coming poll. In 1978, it captured nine of the 15 seats in parliament.

'Erotic zones' fail to rouse Swedish passion

By KEVIN DONE AND DAVID BROWN IN STOCKHOLM

DISPENSATION for the peace zones could be sought verbally from the authorities in emergency—a written application would have to follow—says the paper, and the zones would not apply during planning conferences or weekend courses.

"This is a programme for everyday democracy between men and women," said Ms Christina Wharolin, who led the working party that prepared the report. "For so long men have set the norms, also in sexual matters. We want to change that. What's the freedom in women being mistreated, raped or pat on the bottom?"

The report also took up the proposal for setting up "erotic peace zones" at the workplace, but the SSKF conference showed no great passion for the idea.

In a report entitled Liberate Love, Ms Maj Lis Low, the SSKF chairperson called for a "serious attempt to gather all questions about sex and sex relations."

habitation into a political programme." The report covered several areas—including women's illnesses, pornography, rape, prostitution, abortion, incest and mistreatment of women.

"Women's emancipation will rest on fragile foundation until men feel the need of a corresponding emancipation," says the Social Democratic Party executive

Chile to keep three-tiered exchange rate

By Mary Helen Spooner in Santiago

CHILE WILL maintain its three-tiered exchange rate in the wake of this week's devaluation.

The Central Bank will offer domestic debtors with dollar-denominated loans a rescheduling scheme in which they may reprogramme their obligations, in accordance with the old peso value of 93 to the dollar. Sr Luis Escobar, the Finance Minister, said.

The Finance Minister predicted the devaluation would only raise consumer price inflation by a few percentage points this year, keeping the year-end figure well within the 20 per cent inflation which authorities had predicted for this year.

Petrol and fuel prices to some extent increased—by as much as 25 per cent—and some shopkeepers began putting up the prices of imported items already in stock.

Sr Escobar said he doubted the measures would improve the country's economic situation.

Table with columns: Share name, Share price, Subpn, Others, and various financial details for different companies and regions.

Handwritten signature or note at the bottom of the page.

هكذا صنع القوم

UK NEWS

Price war looms in consumer electronics as sales fall

Jason Crisp reports on the grim picture facing makers and retailers in a once booming sector

Motor cover planned by Bank of Scotland

By Eric Short

THE BANK OF SCOTLAND intends to launch its own motor insurance contract to customers by the end of this year.

Under the scheme, most Bank of Scotland customers will be able to insure their car and the car of their spouse, through their bank branch receiving acceptance over the counter.

The clearing banks all have insurance services divisions which supply insurance broking services.

Exports rise in engineering

By David Lawson

ENGINEERING export orders rose by 13.7 per cent in the second quarter of 1984, but domestic orders fell by 3.5 per cent to almost entirely offset the increase.

Swissair tops list of favourite airlines

SWISSAIR is international business travellers' favourite airline, followed by Singapore Airlines, with British Airways and British Caledonian always in sixth place, according to a survey carried out for Swiss Traveller magazine.

Anthony Moreton traces how a Gloucestershire town evolved from clothing the royal army to covering snooker tables

Stroud right on target in pocketing market for green baize cloth

AFTER A gentle limbering-up in Glasgow this week all the top snooker pros are gathering in Newcastle for tomorrow's start of the first big tournament of the season, the Jameson International.

On championship tables (a lesser quality is used on barroom pool tables and other snooker tables) and that its cloth has been on the tables used in 19 out of the last 20 world championships.

As a result it has doubled its output of billiards cloth from 1,500 pieces a year in more than 3,000 (a piece, or roll is approximately 60 m long). With a factory price of between £1,000 and £1,250 a piece, billiards cloth does not come cheap - it can cost £100 alone to cover a championship table - and contributes more than £5m to the company's turnover of £10m a year.

World snooker champion, Steve Davis, one of the stars of tomorrow's Jameson championship

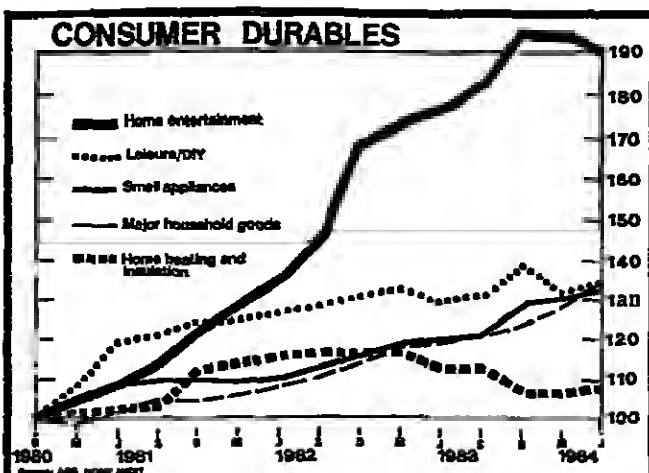
there is another 37c a lb to pay. Although it is coming down slightly it is still a prohibitive fence to get over.

Output of cloth for tennis balls increased by about 10 per cent a year in the 1970s, though in the last two years there has been none at all, a factor Mr Hardy attributes to the game marking time in the U.S.

But with demand on the move again he expects 5 per cent and is now in the middle of a three-year £1.5m programme to replace the old carding and spinning machines, some of which date back to the 1920s.

Bureaux de change body finds few members

A UK Federation of Bureaux de Change has been set up with the ostensible aim of improving standards in an industry which has been the subject of much controversy in recent months.



with other countries. But industry observers think that competitive pressures, in both large and small screens, may lead to price cutting however little the industry wants it.

Building contractors optimistic as merchants lose confidence

By David Lawson

THE DIVERGING fortunes of the industrial and housing sectors of the construction industry are highlighted by improving prospects for building contractors and weakening confidence among builders' merchants.

The Building Services Research and Information Association bulletin says electrical contractors expect a 10 per cent increase in work fitting-out industrial buildings this year and a 6 per cent rise in 1985.

Overall business in this sector this year is expected to grow by 4 per cent to £1,380m, followed by a further 1 per cent rise.

It is fewer than the number showing optimism a year ago. The main problems are expected to be the extension of value added tax to repairs, and cuts in home improvement grants and local government spending.

Government 'ignores' retailers

By David Churchill, Consumer Affairs Correspondent

SHARP CRITICISM of the Government's attitude toward the retail sector was made yesterday by Mr Ian MacLaurin, deputy chairman of Tesco.

Mr MacLaurin said: "Successive governments have ignored the role that retailing plays in generating new developments, new services and new jobs."

Top four petrol retailers predict steep price rise

By Dominic Lawson

BRITAIN'S FOUR leading petrol retailers are united in the view that a steep rise in petrol prices is unavoidable.

Mr Archie Forster, Esso UK chairman, said yesterday: "No one likes putting up prices, but the scale of the recent dollar-sterling fluctuation is such that no alternative exists."

Shell, which is racing neck and neck with Esso for leadership of the petrol market, agreed yesterday that a further rise in petrol prices was needed for oil companies to make a return.

Livingstone re-elected leader of GLC following Paddington by-election victory

By Hazel Duffy, Transport Correspondent

MR KEN LIVINGSTONE was re-elected to the leadership of the Greater London Council yesterday following his victory in the Paddington by-election on Thursday.

The Paddington result, where Mr Livingstone was re-elected with a slightly larger vote than in the 1981 GLC elections, was the most successful for Labour.

Mr Kenneth Baker, the new Minister for Local Government, said on breakfast TV: "Mr Livingstone wanted a much better result than that. He was trying to raise his standard to which the people were going to flock to say they loved the GLC - and they did not."

Mr George Tremlett, the GLC councillor who urged Tories to vote Labour during the campaign was duly expelled from the Conservative GLC group yesterday by 30 votes to 9, with one abstention, and will sit as an independent.

Rain postpones water rationing

WATER RATIONING has been postponed by some water authorities this week because of heavy rain. The Water Authorities Association said yesterday.

Over wide areas of the country - at least Wales, parts of Devon and Cornwall, the North-west and Yorkshire - water authorities are appealing to customers to save water.

BNOC calls for price freeze

By Dominic Lawson

THE British National Oil Corporation sent telexes last night to all producers and customers of North Sea oil recommending no change in official prices for the rest of the year.

BNOC expects to open discussions with oil companies immediately, and to reach agreement by October 1, when the final quarter opens.

Some BNOC customers, particularly European refiners, have indicated that they would like a reduction in the official Brent market price of \$30 a barrel.

'Realism slows new media race'

By Dominic Lawson

A FRESH realism has entered the debate over the future proliferation of new media. Mr Stuart Young (chairman of the BBC) told delegates to the International Institute of Communications conference in West Berlin yesterday.

New technology would be more freely available, he said, but the business of making good programmes was the last area to be explored in the so-called New Era of broadcasting.

Free newspapers 'read by 75% of population'

ABOUT 75 per cent of the British population regularly read a free newspaper, according to a survey carried out this month.

The Audience Selection Survey, suggested that the 28m free newspapers delivered to British homes were read as well as the regional papers and national dailies that people have to pay for.

Sacking of MacGregor 'would help end coal dispute'

Ashdown under fire after cruise debate

PEACE CAN be restored to the coalfields by sacking Mr Ian MacGregor, the National Coal Board chairman, and allowing the miners to clip the wings of Mr Arthur Scargill, the president of the National Union of Mineworkers...

Reports by Peter Riddell, Ivor Owen and Kevin Brown

He launched his attack on Mrs Thatcher by protesting that her confrontational style had been at its worst during the miners' dispute. To cheers he said: "Yes, Prime Minister, we know your way all too well. It is a way of division, of bitterness and in the end defeat for the standards of Britain."

Mr Steel suggested that Mr Eric Varley, the former Labour Cabinet Minister, should succeed Mr MacGregor as chairman of the NCB. Mr Steel urged his supporters to regard the assembly as the start of a three-year election campaign and to be ready to surrender "small parts of our individual interests" so that a common platform could be built with the Social Democrats.



Mr David Steel: Parliament should be recalled and a Bill introduced to compel the holding of a strike ballot if requested by at least 10 per cent of members of the NUM

MR PADDY ASHDOWN, the Liberal MP for Yeovil and the rising star of this week's assembly, has been criticised by some of his fellow MPs for his behaviour during Thursday's debate on the removal of U.S. cruise missiles from Britain. Mr Ashdown was the champion of the campaign for the immediate removal of cruise, contrary to the decision by the majority of Liberal MPs...

Call for inquiry into sinking of Belgrano

THE LIBERAL Assembly yesterday called for a full inquiry into the sinking of the Argentine cruiser General Belgrano, torpedoed during the Falklands War two years ago. Delegates voted overwhelmingly for an emergency motion condemning "the withholding of full and accurate information" on the sinking, and urging Liberal MPs to move a vote of censure on the Government.

THE LIBERAL Party changed its constitution yesterday to deal with attempted infiltration by right-wing extremists. Delegates approved a constitutional amendment widening the grounds for expulsion from the party to include behaviour bringing into doubt a member's support for its basic aims.

Defence against infiltrators approved

Delegates approved a constitutional amendment widening the grounds for expulsion from the party to include behaviour bringing into doubt a member's support for its basic aims. Lord Torfod, the retiring president of the party, told delegates there were sufficient checks and balances in the new rules to prevent purges against any section of the party.

Staff buyouts urged to help rescue jobs

THE LIBERAL Assembly yesterday called for more opportunities for staff "buy-outs" when companies close subsidiary offices or plants. Delegates backed this approach as one of a series of proposals to facilitate more local initiatives to reduce unemployment, and condemned the Government for allowing the remorseless growth in the dole queues to continue.

SDP leadership warned over seat allocation

LEADERS OF the Social Democratic Party were told bluntly to drop their attempt to prevent the Liberals fighting the highest number of seats on behalf of the Alliance at the next general election. An emergency motion, sponsored by Mr Rowland Morgan, reflected the angry backing to which Mr Bill Rodgers, the SDP vice-president, was subjected earlier in the week, when he suggested to the assembly that the division of seats between the two parties, should be substantially the same as in June 1983.

Failure to agree leaves equality policy in disarray

LIBERAL POLICY on women's rights was in disarray yesterday, after an angry debate in which delegates failed to agree on a long "shopping list" for equality. With debating time running out, delegates voted to send the whole issue back to a working party, which will report next year. There was virtual chaos as Ms Fran O'Rourke, from Wyrley Forest, moved an amendment bringing the debate to a close.

Councils 'need more aid'

THE GOVERNMENT must increase grants to local authorities to pay for increasing legislative demands on councils, the Liberal Assembly said yesterday. Delegates approved an emergency motion expressing concern at deteriorating local services and urging the Government to link extra grants to each new statutory obligation.

controlled Richmond-on-Thames Borough Council, said the Government was increasing demands on local councils year by year while rate support grant payments had fallen by 22 per cent since 1981. Mr Williams said the Government was trying to turn councils into local arms of the central administration while transferring the burden of expenditure from the taxpayer to the ratepayer.

Mr Andrew Hudson, from London, urged delegates to reject the change, which he labelled Stalinist. Later, the assembly approved a shake-up in the composition of the national executive intended to reduce its size and increase its efficiency. The assembly yesterday also urged more local and regional initiatives to combat unemployment, including more staff buy-outs of threatened businesses.

LABOUR NEWS

Employers refuse to raise pay offer to local government staff

EMPLOYERS yesterday refused to improve a 4.5 per cent pay offer to local government white-collar staff in spite of threatened disruptive action. This means that the National and Local Government Officers' Association must decide whether its members will carry out a narrowly-approved programme of industrial action. The union, representing about 550,000 local government staff, has threatened selective strikes, non-collection of rent or rates, refusal to deal with telephone calls and correspondence and a ban on non-contractual overtime.

meeting of its local government group on October 9 to decide whether to call on members to implement the programme of disruption. Union negotiators had hoped for a marginal improvement in the pay offer yesterday in order to solve their dilemma. The employers, however, were unanimous in insisting that 4.5 per cent was the most that could be afforded to "extremely tight financial circumstances". The employers said that day-long talks had failed to achieve a settlement and that it was acknowledged that the offer did not meet all the staff's aspirations.

are offering an overall package which would add 4.8 per cent to the pay bill. They include in this 0.3 per cent for the cost of improved allowances for residential social workers, offered in the wake of last winter's dispute in homes for the elderly, handicapped and children in care. Within the 4.5 per cent pay offer itself, backdated to July 1, some lower-paid staff would receive basic pay rises of just over 5 per cent and some nursery nurses would receive two extra pay increments over the next 19 months. The unions claimed a 7 per cent rise, restructuring of low pay scales, a 35-hour week and at least 25 days' annual holiday. Their hopes for an improved offer yesterday were based partly on the teachers' arbitration award.

Mass picket at Maltby colliery

ONE OF the largest pickets in the Yorkshire area since the start of the miners' strike gathered yesterday outside Maltby colliery, near Rotherham. Police said about 6,000 pickets massed outside the pit to try to block the entry of seven men who are working for an outside contractor. The men, who are members of the NUM, are employed by cementation on the sinking of a third shaft at the pit. The size of the picket appeared to catch police by surprise as numbers in the area have been falling off in the past few days. Superintendent Eric Vallance, the police spokesman at the picket, said: "It was orchestrated without a doubt. It was a very well planned picket, and escalated at an alarming rate."

High Court rules on NUM assets

A FINE of £50,000 imposed on the South Wales area of the mineworkers' union for illegal picketing can be paid from a frozen £458,000 fund which the national union had claimed was theirs, a High Court judge directed yesterday. He put a 14-day stay on his order to give the union a chance to challenge it. The £458,000, held in the national union's bank, is part of the £700,000 frozen by sequestrators after the South Wales NUM failed to pay a contempt of court fine for defying an injunction against picketing coke hauliers' lorries at Port Talbot steelworks. The NUM had told its bank, the Co-operative, that the money represented funds transferred from South Wales to the national union to cover miners' subscriptions and hardship money, and should not have been among the assets frozen. But Mr Justice Leggatt pointed out that the money had been transferred to the bank just before sequestrators had been appointed to take over the South Wales NUM assets following non-payment of the fine. He held that the £458,000 was one which the sequestrators were entitled to use for payment of the fine and costs incurred. The judge also suggested that about £150,000 of the fund need not be touched for the payments he had authorised. Mr Arthur Scargill, the NUM president, had at first rejected the crediting of the £458,000 to a union account at the Co-operative Bank in Sheffield, said the judge, but it was later asserted that the money belonged to the national union. Union assertions, which had been made only to the bank and no to the court, were at variance as to the source of the money. Mr Justice Leggatt said: "At first the union said it represented South Wales miners' contributions and repayments to the national union of a loan, but it later said it was contributions to 'funds for hardship cases.' Proceedings against the South Wales NUM had been brought by two Forest of Dean haulage companies whose drivers had been subjected to threats and abuse by pickets. The judge ruled that the costs of the hauliers, sequestrators and other third parties involved in the funds-freezing process could come out of the £458,000. The outstanding balance of the £700,000 will remain frozen until the South Wales NUM purges its contempt by apologising, or until further court directions.

Scottish miners take union to court

THE NATIONAL Union of junction challenging the official Mineworkers faces another instalment of the strike when three working miners in Scotland take the union to court on Monday. Court cases in Nottinghamshire, Lancashire and Staffordshire have already established that the strike in those areas is not official on the grounds that it has not been supported in an area or national ballot. The courts have also ruled in a number of cases that disciplinary action against working miners is unlawful where the strike has not been endorsed in a ballot. The Scottish case is being brought by Mr Harry Fettes, Mr John Poppis and Mr Tom McConnel, miners at the Bilsdon Glen colliery, south of Edinburgh. They are seeking an interim interdict (injunction) at the Court of session. Most of the groups in the NUM organising to end the strike believe that the removal of official status from picket lines can be an important stimulus to a return to work movement. The case being brought by Mr Bob Taylor and Mr Ken Foulstone against the Yorkshire area NUM next week could herald the first major crack in the strike in that area if it is successful in ruling the strike unofficial. Several miners have said they would cross unofficial picket lines but would not cross official ones — however much they oppose the strike.

Pay deals rising again says survey

FAY settlements appear to be rising for the first time since 1980, according to an analysis of pay trends by the Industrial Relations Service research company. This week Mr Tom King, the Employment Secretary, warned that high rises would hit British manufacturing industry. The survey, which will be published in next week's Pay and Benefits Bulletin, found that the level of basic pay settlements has started moving up again, with most groups now gaining increases of more than 5 per cent. The analysis of 114 pay settlements in May, June, and July indicates that the median settlement has edged up to about 6 per cent from the 5.51 per cent level it had been over the 12 months to April 1984. The increase, the survey claims, is due to two factors. First, in recent months, there has been a fall in the number of settlements giving pay increases of under 5 per cent (with the notable exception of the public sector). Second, more bargaining groups have been settling for bigger pay rises in 1984 compared in 1983. This trend was more pronounced in settlements from June onwards. Mr King made his comments after a briefing by the Department of Employment showed that unit wage costs in July were up 8 per cent on the year before. The IFS survey confirms that the trend is up, and warns that against a backdrop of rising inflation, it expects the level of settlements to continue to edge up during the autumn.

Sheffield housing staff vote to stay out

THE STRIKE over the decision of Sheffield's Labour-controlled City Council to end a "model" technology agreement will continue while negotiations take place next week. A meeting of the 630 strikers employed by the council's housing department decided yesterday to reject an appeal for a return to work by management. The strike, which began last Monday, has virtually shut the council's housing services. The National and Local Government Officers' Association has a closed shop in the department and has called out every member of staff except the directors.

Nalco's national emergency committee has increased the dispute benefit paid to the strikers from £22.56 a week to 60 per cent of gross pay. Talks will begin on Monday in an attempt to settle the strike. A timetable for the negotiations which runs until next Friday was agreed following the intervention of conciliators. The council has undertaken to do nothing to widen the dispute before the deadline. The strike began with an instruction to housing staff to operate visual display units without union agreement. The technology agreement terminated by the council had system would be introduced without prior union consent and it was regarded by Nalco as a model agreement of its kind. The council, led by Mr David Blunkett, wants to agree a joint disputes procedure which would end the union's effective veto on technological innovation.

Air BP opens Manchester terminal

AIR BP, a division of BP Oil, has expanded its £5m investment in UK regional airports by opening a new £500,000 terminal. The new terminal, at Manchester, will be used for charter flights and will have a capacity of 100,000 passengers a year. The terminal will be used for charter flights and will have a capacity of 100,000 passengers a year. The terminal will be used for charter flights and will have a capacity of 100,000 passengers a year.

Powell calls for action to end pit strike

MR ENOCH POWELL, Ulster Unionist MP for South Down, last night called on the Government to show leadership and intervene to get a settlement of the Prime Minister, by name, he implied that Mrs Thatcher had not shown so far the qualities of national leadership needed to solve what he saw as the industrial scene. "The hand and voice of government ought at last to be brought in bear," he said in a speech to the Bury and District Industrial Society. "That would use his veto against the decision on Cruise, and that anyway there should be a good deal of tolerance on both sides since the vote was very narrow — a majority of 55 out of nearly 1,200 voting. A number of Liberal MPs are also critical of Mr Ashdown for his efforts to seek media attention during the week through countless interviews and appearances. While recognising his "star" status, his fellow-mps believe that he will have to take a somewhat lower profile from now on. Mr Ashdown himself has been ostentatious in expressing support for Mr Steel's continued leadership.

Labour news

Mr Steel urged his supporters to regard the assembly as the start of a three-year election campaign and to be ready to surrender "small parts of our individual interests" so that a common platform could be built with the Social Democrats. "Candidate selection must be settled amicably and quickly." Mr Steel maintained that the divided and ineffective Labour Party could no longer be regarded as a serious candidate for Government, and was an obstacle to the removal of Mrs Thatcher from office. His message for every Liberal and Social Democrat throughout the country was: "You represent the only hope of saving Britain from the disaster of a third-term Thatcher Government." Mr Steel pronounced the "Thatcher economic experiment" a failure, and at the same time gave another hint of Liberal reservations about the concept of a social market economy, favoured by the SDP. He said: "Of course competition has its place. But the blind gods of the market place alone are not going to show us the way out of this industrial crisis."

Labour news

He suggested that people would begin to wonder if the party really cared about unemployment if it devoted too much effort to stressing the benefits of the market economy. Sir Robert Marshall, chairman of the party's trade and industry panel, called for the establishment of an international commission with the weight of the Brandt Commission, which studied the problems of the Third World, to try to point the way to tackling unemployment on an international basis. Mr David Heath, from Somerton and Frome, highlighted the difficulties of the unemployed in rural areas. Urging delegates to reject the advice given by Mr Norman Tebbit, the Trade and Industry Secretary, that the unemployed should "get on their bikes" and search for work, he insisted that the drift of young people from the countryside had to be stopped. "People do have a right to live among their own, and to work for their own, and we should reject the British version of internal exile." Mr Meadowcroft called for an overhaul of the Manpower Services Commission. The most astonishing waste of precious public money was the billions paid to sustain the unemployed when the same cash should be used to make jobs available, he said. Mr David Penhaligon, MP for Truro said: "The Government is not governing, it is warring, and it has no understanding or sympathy for its people."

Labour news

Mr Steel urged his supporters to regard the assembly as the start of a three-year election campaign and to be ready to surrender "small parts of our individual interests" so that a common platform could be built with the Social Democrats. "Candidate selection must be settled amicably and quickly." Mr Steel maintained that the divided and ineffective Labour Party could no longer be regarded as a serious candidate for Government, and was an obstacle to the removal of Mrs Thatcher from office. His message for every Liberal and Social Democrat throughout the country was: "You represent the only hope of saving Britain from the disaster of a third-term Thatcher Government." Mr Steel pronounced the "Thatcher economic experiment" a failure, and at the same time gave another hint of Liberal reservations about the concept of a social market economy, favoured by the SDP. He said: "Of course competition has its place. But the blind gods of the market place alone are not going to show us the way out of this industrial crisis."



YOUR SAVINGS AND INVESTMENTS

GO Where to put your money now

Clive Wolman extols building society virtues Convenience plus interest

IT IS ONLY in the last few weeks as building society receipts have fallen away to a trickle that the consequences of the building societies' cartel last autumn have started to make themselves felt.

For those with mortgage, the experience has been a painful one with interest rates being pushed up to levels which, after adjustment for inflation, are the highest this century.

The corollary is that most savers can now enjoy higher real interest rates than ever before together with the convenience of holding their money in a building society.

The adjacent decision tree shows that, particularly since the withdrawal of the 28th issue of National Savings certificates, building society shares have become the most attractive form of investment — and not only for basic rate taxpayers. Despite the fact that tax has to be paid on the full rate of return unlike many other forms of saving, 40 per cent taxpayers and, in some cases, even those on higher rates will now do better by putting their money into building societies.

Although the largest societies took the initiative by pushing up the rates, over the last two weeks the small societies have outflanked them. The only large society amongst the market leaders now is the Cheltenham and Gloucester. But for a lump sum investment, it is only a minor inconvenience to put a cheque in the post to a smaller society rather than calling in at a local high street branch. All the societies recommended are covered by the Building Societies Association protection scheme.

Although the twenty-eighth issue of National Savings certificates was withdrawn in haste 11 days ago, no announcement has yet been made about its successor, the twenty-ninth issue. The indications are that it will offer a tax-free yield (if held for five years) of between 8.0 and 8.25 per cent annum. This would make it worthwhile for top rate taxpayers to wait for its launch which should be within a few weeks.

Most of the Government gilt-edged securities that were recommended in the decision tree published in July are no longer attractive. This is partly because they have been overshadowed by the building societies but also because their prices have risen — and thus their yields are lower.

For higher rate taxpayers however, there is one particularly attractive stock on offer at present, Treasury 10 per cent Convertible 1986. The dividend on this stock, which would have been taxed as income in the hands of the holder, has just been paid. So if you buy now and hold for just under 18 months, thus avoiding the third six-monthly dividend payment, you will take most of your return in the form of accrued capital gains which are tax-free.

The gilt-edged security recommendations are based on figures calculated by stockbrokers Phillips and Drew using Thursday evening's closing prices.

The building society recommendations are based on the data bank updated to Thursday by Building Society Choice, Riverside House, Rattlesden, Suffolk. However it is possible that even more attractive schemes may be announced within the next few days.

Move to shorter contracts

Eric Short shows why life assurance is still an attractive proposition

WHEN Nigel Lawson, Chancellor of the Exchequer, ended tax relief on life assurance premiums in this year's Budget, he took away the best selling point life companies ever had. But at the same time, he removed the barriers to the use of a life assurance policy as a home for regular monthly savings over periods of about five years. Until now the building societies have been the most popular choice amongst regular savers.

In order to qualify for tax relief in the past, regular savings with a life office had to continue for 10 years under the terms of the contract. Simple short-term contracts would not have qualified for tax relief.

Now life companies can openly market contracts shorter than 10 years. And the ending of LAPR has conferred another advantage on shorter-term plans.

To qualify for the tax relief, the contracts had to provide a high minimum level of death cover — 75 per cent of the premiums paid. The cost of this life cover reduces the amount available for investment.

The one remaining advantage of a contract which lasts

for 10 years is that the cash-in or maturity value is paid free of all taxes. But a shorter policy, or one cashed in before the minimum 10-year period, is also tax-free in practice unless the policy holder is liable to higher rates of income tax. If so, he or she must pay any tax over and above the basic rate — for instance, 20 per cent for those in the 50 per cent band. This is charged on any profit made.

It is assumed by the Inland Revenue that the investor's basic rate tax liability has been met by the life company which will be assessed for tax on the profits in its funds, even if the company avoids paying any tax — the happy position of many newer companies.

Thus investors liable only to basic rate tax will receive their investment free of tax whatever the term of the contract.

So, over the past few weeks, life companies have started to market shorter term pure savings contracts for basic rate taxpayers. This week saw one of Scotland's major life companies — Scottish Widows — enter the field with its Maximum Growth Bond.

This is a regular savings unit-linked contract with an investment period ranging from five to 10 years and a death benefit to 10 years.

Investors have a choice of the seven funds offered by the Scottish Widows with the usual rights to switch between the funds. The proportion of money

invested, after the deduction of charges, increases with the length of term selected and the size of monthly premium. It ranges from 97 per cent on a five-year minimum £30 monthly premium to 100.5 per cent on a 10-year contract for a monthly premium over £100. Additional charges are the standard 5 per cent bid-offer spread and 1 per cent interest annual fund charge.

Investors have to select the investment term at the outset. At the end of the period, investors have the choices of cashing in, or leaving the unit to continue to accumulate or of continuing payments for another five years.

Scottish Widows is paying 15 per cent initial commission to registered insurance brokers on a five-year contract and 12 per cent to other intermediaries (approximately the standard rates).

Ian Thomson, a marketing actuary at Scottish Widows, says that savers' investment horizons have been getting progressively closer, and 10 years is regarded by many as too long a period. The new product is intended to challenge the building societies' virtual monopoly in this shorter-term field.

Now that well-known companies such as Scottish Widows and Commercial Union are following the lead given by less prominent operations, the traditional market could shortly follow.

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1st	Mar Camden Group	58p
5th	Hazlewood Fds.	645p
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25th	Aug Strides Rest	63p

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THROGMORTON NEWSLETTER is edited by Peter Wolman. With a background in banking and stock-broking and 20 years' experience in financial journalism, Peter Wolman is one of Fleet Street's most experienced investment writers. For nearly 12 years he wrote and edited the Quarterly Column in the Daily Telegraph, was City Editor of Financial Weekly and Deputy City Editor of The Times.

He gives a very personal investment service to subscribers in the THROGMORTON NEWSLETTER. Mailed first class to subscribers every month the newsletter makes fully researched recommendations of shares which offer outstanding value for money or outstanding growth prospects. It does not end there and a regular follow-up service covers the stock until it is time to take a profit or, more rarely, cut a loss.

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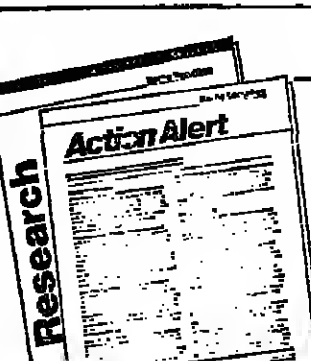
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YOUR SAVINGS AND INVESTMENTS

Wild speculation and even wilder losses

BUSINESSMAN Adrian Thompson has a salutary tale for all investors tempted to back their own hunches.

Mr Thompson, who is aged 42 and lives in Hampshire, made a small fortune from steel stock-holding. But, as he cheerfully admits, the cautious businessman became the wild speculator when it came to playing the market.

Three years ago Mr Thompson made his first move in the hope of making a quick killing. He had no time for careful investing; he backed hunches, and the advice of friends and tip sheets.

The price of this nativity was a string of losses. While he others were making money in a bull market, Mr Thompson managed to lose £8,500 on a net investment of £11,400.

He began investing after he sold a business in which he had a stake worth several tens of thousands of pounds. He had always been interested in the stock market and took out a subscription to a newsletter called "Stockmarket Confidential" published by Stoneheart Publications.

By the time he could act on the "confidential" advice, "I'm a sucker for things like that which come through the post," he said.

His next move was a success. Believing that the price of gold was too low he invested in the North Kalgurli mine in Australia and subsequently sold to make a profit of nearly £1,400.

But thinking that his investments to date had not done too well, Mr Thompson thought it was time to look at the Unlisted Securities Market.

"I read an article about how new USM shares were outperforming almost every other type of investment," he said.

On the world of the tip sheet Mr Thompson bought £1,100 worth of shares in a new issue called Sinclair. Unfortunately, he was under the impression that this was Sinclair Research — it turned out to be Sinclair Holdings, an agricultural seed company. A disgruntled Mr Thompson sold his stake for £730 some months later.

"It sounds like a silly mistake, it was. I just didn't look closely enough," said Mr Thompson.

After this blunder, Mr Thompson turned to a friend in the City for advice. "He works at a stockbrokers and I asked him for tips."

He bought £1,000 worth of shares in Cifer, a USM micro-computer company, which Mr Thompson's confident said "would move." It did and fell sharply — Mr Thompson sold after seven months for a £380 loss.

After this Mr Thompson decided he would need "a really good penny share to recoup the losses," but he was a little apprehensive about equities.

Browsing through the Financial Times, however, he came across an advertisement. It boasted, he said, about how easy it was to make money at almost no risk "on something called the futures market."

He wrote to Midleton James and Company, of Pall Mall, commodity brokers, and "a very persistent man" telephoned and persuaded Mr Thompson to part with £3,290.

Mr Thompson's money went into gold. "This sounded to me like the big one," he said, convinced by the salesman that war and the world debt crisis were bound to push the gold price up.

Unfortunately, it went down.



Looking for the big one: Mr Adrian Thompson

"The gentleman was really puzzled over the way it had performed," said Mr Thompson. "But he soon perked up and suggested he use what money was left to buy and sell silver on a daily basis."

Thoroughly confused, Mr Thompson agreed. He received records of transactions made on his behalf buying and selling thousands of ounces of silver.

Each transaction, however, cost \$112.50 in commission. At the end of the day, the company took \$1,012.50 commission and Mr Thompson's £3,295 dwindled to \$4.50. "To this day I get a monthly statement showing the slyly mocking figure."

Burned on the futures market, Mr Thompson decided that shares were safer. His eye fell on London and Liverpool in January 1984 — the year before at £5 to £6, now they could be picked up for peanuts.

Mr Thompson bought 12,640 shares at 17.5p each for a total of £2,212. He is now waiting to see if he will get anything from the company's liquidators.

Mr Thompson is quite at a loss to explain why he is such a persistent gambler with his investments. He does not bet on cards or on the football pools. "I think my only other bet is on the Derby," he said.

He also has no intention of giving up. "I don't know why I carry on, but I suppose one day I think that another Polly Peck will happen with my money riding on it."

Investment Tales



By STEFAN WAGSTYL

His first buy was a success: £500 worth of Transparent Paper, a company later taken over by the Buzil group. Mr Thompson accepted Buzil shares now worth £1,200.

But the next two shares tipped by the newsletter were a different matter. In September 1982, Mr Thompson bought shares worth £4,250 in two troubled engineering groups with predicted recovery prospects, Johnson and Firth Brown, and John Williams of Cardiff — only to sell three months later for a £225 loss.

His faith in the newsletter was touching. He said (in all honesty) that he could not understand how the price of the shares tipped had always moved

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This announcement does not constitute an offer of shares for subscription or purchase. Further particulars of the Fund are contained in the prospectus on the basis of which alone applications for shares may be made.

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Fidelity

Hurry to enjoy unit trust benefits

Clive Wolman looks at changes likely to increase costs for new customers

However the removal of premium relief undermined the competitive advantage of life policies, although several life assurance companies are now marketing a revised plan for basic rate taxpayers. The revised plans usually allow you to invest indirectly in unit trusts via the life assurance company fund. They also throw in some genuine life cover, which has a value but not much.

In most cases, you should get a higher return as the same cost from investing directly in a unit trust and taking out separately a pure term assurance policy. This is for two reasons. Firstly your investment within a unit trust is treated more favourably by the Inland Revenue. In particular, it is not subject to capital gains tax except, possibly, when you withdraw the money (but you have a £5,600 annual exemption to use up).

Secondly, you will pay lower charges on a unit trust savings plan than you would on a five-year life policy. At least, that is, you will until the new maximum commission rates agreed on Wednesday by the Unit Trust Association come into force.

The new rules will permit 20 per cent of the value of your savings in the first year to be swallowed up in payments to the sales representative or broker who persuaded you to invest in the plan. And they will be under no obligation to volunteer this information when they present themselves as apparently disinterested and objective financial advisers.

At present, the UTA rules allow a maximum of 3 per cent

of each sum invested to be paid out as a commission. Thus the commissions payable on monthly investments have been so small as to be merely an administrative inconvenience rather than an incentive.

For this reason, unit trust savings plans have been brought to the attention of relatively few potential investors.

The higher commission payments will inevitably be passed on to the customers in the form of increased charges. The unit trust groups have not yet decided the form in which these charges will be imposed. At worst, it could mean that nearly all of your first three months' payments into the plan disappear in charges and your money starts being invested thereafter.

One consolation is that some unit trust management groups — for example Framlington and Perpetual, both of which have outstanding investment performance records — have opposed the increase and will not be giving anything like the maximum commissions. Framlington has already announced that it will not be increasing its charges or commission payments at all.

All of this means that investors will have to look carefully at the small print of different unit trust plans before deciding which ones impose the most reasonable charges. Even more difficult to compare will be the charges on a unit trust plan with those on a unit-linked life assurance policy. Life companies use particularly opaque and convoluted devices to

extract charges from their policy-holders.

By contrast, no commission is paid to the folk behind the post office counter who give you an application form for the National Savings Yearly Plan (which must be posted to Durham). The 9.06 per cent per annum return may seem attractive. But before you rush off your form hoping to beat the anticipated cut in rates, you should consider the drawbacks.

Firstly, you can earn higher rates of return at present from the building societies and without locking your savings away for five years. Note also that the plan allows you to invest a maximum of only £100 a month (and a maximum of £20 a month) for one year after which your payments stop.

A further disadvantage is that the UK economy could suffer many changes for the worse between now and the autumn of 1989 (when you withdraw your money). In particular, you take on the risk that interest rates and inflation could rise making a 9.06 per cent return seem inadequate.

If you believe inflation is going to average more than between 4 and 5 per cent (depending on your tax rate) over the next five years, you will earn a higher return from investing in the Treasury 2 per cent 1985 index-linked Government "real-edged" bond. This guarantees the purchasing power of your savings and gives an extra 5 per cent real return. This too can be bought in regular instalments from your Post Office — the commission is only around 0.5 per cent.

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With technological change accelerating, new companies are being formed daily to seize unprecedented opportunities. In the new industries of biotechnology, computer services and electronic retailing the USA is a world leader. Small and emerging companies at the leading edge of such industries are enjoying higher rates of return and faster growth than their more mature counterparts.

For the growth-orientated investor, smaller companies in the USA are a most attractive prospect.

Prices are still low

For most of the past year, the US stock market has been listless as concern over the budget deficit dominated investor sentiment. Despite strong profits performance, shares of small companies have underperformed significantly. The value they now offer is consequently outstanding — and reflecting this, they are on the move forward again.

The timing seems ideal to buy into the growth companies of America.

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J. Henry Schroder Wagg now offers its new Special Account — a high interest, cheque book current account available to those able to maintain a minimum balance of £2,500.

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A booklet containing full details of the Schroder Special Account can be obtained by ticking the appropriate box at the foot of this advertisement.

Remember that the price of units may go down as well as up. You should regard your investment as long term.

Buying on the current opportunity

The present value represented by US smaller companies shares and the expertise that Schroders can bring to their management suggest a considerable opportunity.

By investing now, you can secure the opening price of 50p per unit which applies until 12th October 1984. The estimated gross commencing yield is 0.5% p.a. After 12th October 1984 units may be purchased at the current daily rate.

The current opportunity is therefore one that ought not to be missed.

Minimum investment is £500. We recommend that you return the coupon and your cheque without delay.

*Money Management — 1st September 1984

General Information

Dealing in Units Units may normally be bought or sold on any business day at prices quoted in several national newspapers. Applications will be acknowledged on receipt of your instructions and certificates will be despatched within six weeks. Repurchase proceeds will be forwarded within 10 days of receipt of the renounced certificate by the Managers.

Charges An initial charge of 5% is included in the price of units. An annual charge of 1% + VAT of the value of the Fund is deducted from the future income. The Trust Deed permits a maximum initial charge of 10% and an annual charge of 3%.

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1958	1.2p	1968	15.5p	1978	32.0p
1959	1.6p	1969	13.8p	1979	33.1p
1960	1.9p	1970	11.7p	1980	54.3p
1961	2.4p	1971	16.9p	1981	77.6p
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Interim Report 1984

Results for the seven months ended 31st July 1984	7 months 1984 5000	7 months 1983 5000	12 months 1983 5000
TURNOVER	72,000	70,000	116,776
Divisional Profits			
Motor Distribution	729	402	1,219
Leisure & Holidays	92	510	273
Computer Services	102	34	44
Fuel Distribution	102	133	208
	1,025	1,069	1,744
Deduct Parent Company Interest and Expenses less other income	331	473	617
Profit Before Taxation	694	596	1,127
Taxation Estimated	233	60	156
	461	536	971
Extraordinary Items	410	(404)	(137)
	671	132	834
Earnings per Ordinary & 'A' Ordinary Share of 25p	7.6p	8.8p	16.0p
Net Dividend per Ordinary and 'A' Ordinary Share of 25p	2p	2p	6p

YOUR SAVINGS AND INVESTMENTS

High street plugs into computerised shopping

David Lascelles on a scheme which allows shops to take money straight from your bank



THE 170,000 citizens of Northampton will shortly be able to pay for goods without signing a credit card slip or cheque or soiling their hands with cash. Instead they will turn to EFTPOS, the alarming acronym for Electronic Funds Transfer at Point Of Sale. In plain language, this means shifting money from your bank account to the shop's there and then just by pushing buttons.

In what they claim is Britain's first mass experiment with EFTPOS, the Anglia Building Society and ICL, the UK computer maker, are joining forces to wire up Northampton's biggest shops with some 200 terminals. That alone looks quite a challenge. But they also aim to test the fact that no major EFTPOS scheme (and there have been several) has yet got off the ground anywhere in the world. The big UK clearing banks are moving cautiously.

Anglia, the UK's seventh largest building society whose

home is in Northampton, intends to give its customers a special AngliaCard with a magnetic stripe on it, tied to an ordinary share account. When paying for goods at one of the participating stores, the shop-keeper swipes his or her card through one of the specially designed ICL terminals, punches in a secret code number and the amount of the transaction, and sends the information winging its way down a telephone line to Anglia's computers. If

there is enough money in the account, the computer OKs the deal and instantly transfers the sum to the shop's bank account. It sounds wonderfully convenient, so why is EFTPOS so sticky? The major reason is cost, and who should bear it. The outlays on equipment, telephone lines and so on are heavy, and while the banks are usually willing to bear a good part, they feel shopkeepers should too. In France, where most EFTPOS

experiments have taken place, the shopkeepers in St-Etienne actually revolted when banks tried to increase rental charges for their terminals, and turned them in.

Anglia will be giving the shops six months free rental as a come on. After that it will be £30 a quarter, plus British Telecom connection charges and a few pence for each transaction.

Arthur Brown, the general manager, says he believes these costs will be more than offset by the savings shops make through simplified accounting, better record-keeping and fewer worries about having large amounts of cash lying around.

The other objection is the shoppers' loss of "float" compared to a credit card or cheque transaction where the buyer has the use of the money for several days or even weeks before it actually leaves his bank account. Some EFTPOS schemes have tried to get round this by building a delay into the system. Anglia's card will, of course, be plugged into an interest-bearing account (currently paying 7.75 per cent) which is an extra incentive.

Brown admits: "We are absolutely dependent on the active support of retailers." He says the response so far has been encouraging—all the big store chains are keen to know more about EFTPOS. On the other hand, no one has yet been asked to sign on the dotted line or stamp up cash. That test will come in the weeks ahead. The experiment itself will not get underway until next summer, so Brown expects it to undergo its first big trial at Christmas 1985.

The irony is that Anglia and ICL have chosen to start up right under the noses of Barclaycard, which is also headquartered in Northampton. Seymour Fortescue, who runs Barclaycard, says he will be watching with interest, though he does not expect Barclays to act on EFTPOS for some time. The big clearing banks, he notes, have commissioned a review which will not be ready until the end of the year.

He is not yet convinced that EFTPOS will yield sufficient cost savings or consumer benefits to make it worthwhile. Meanwhile Barclaycard is concentrating on specific innovations, like petrol pumps and railway ticket machines that work off Barclaycard.

Yes, bank managers are human beings

Maggie Ford, who learnt the golden rules at the knee of her bank manager father, is indebted to managers at the ANZ Banking Group in Australia, the Chartered in Hong Kong and the National Westminster and Lloyds in the UK for allowing her to put them into practice.

THERE WAS once an elderly gentleman, more familiar perhaps with tea caddy than with bank accounts, who was told by his bank manager that he must pay off his small overdraft by the end of the month. History does not record the reaction of the manager when a cheque arrived for the amount owing, written on the same account.

Times have changed, but the way some people behave towards their banks has not. They have not learnt the 10 golden rules which will make their bank manager user-friendly.

1. Do not treat your bank manager like a computer. He (or in a few cases, she) will be far more likely to accede to your request if he knows what you look like. Go and see him. Be friendly and straightforward about your circumstances and do not make him feel like an ogre. He is fed up with being approached like a headmaster about to wield the cane; equally it would be unwise to assume that he will enjoy being treated as your servant.

2. Consider the fact that he has a head office, which is watching him even more closely than he is watching you. It is his judgment of you that determines his progress in his career, so do not make him look like a fool in front of his superiors. Pay back that overdraft he was kind enough to authorize for you on time.

3. Perhaps you can't pay it back on time. Accidents do happen. Let him know before it is due. Debt rescheduling isn't confined to Latin America and arrangements can be made. The same applies to emergencies. How is he to know that your account is £2,000 overdrawn because the office hasn't reimbursed your American expenses yet? Do not assume that your bank manager has second sight.

4. Do not lie to your bank manager. But always remember that there are some things he may prefer not to know. For

instance, he will not be able to lend you money to pay off your debt at the Golden Horse-shoe or to corner the cocaine market. A new bathroom, a car, even a holiday, is a much better bet for a loan.

5. Do not abuse his time or that of his staff. If you always overspend at the end of the month, ask him to let you have a small regular overdraft to cover it. You may think it is tedious to receive letters pointing out your minor debt; think how boring it is for him to have to write them.

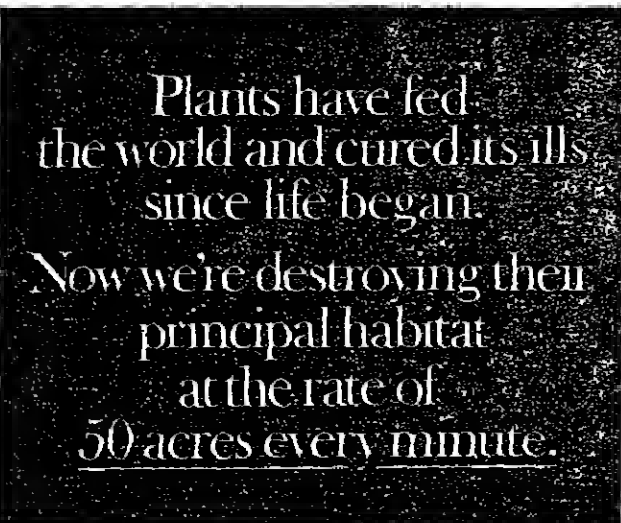
6. If his bank commits an error, do not behave like Disgusted, East Grinstead, and do not move your account. Your reputation as a difficult client will move with you. Write a gentle letter pointing out the mistake. This will normally produce an apology and moral "money in the bank" for the future.

7. Ask him, if you haven't already, about mortgages. He may be dying to give you one. Bank managers tend to think that owning a house is a great stabilising factor, especially for a younger client. They also know property is a good investment. (Head office can be pretty keen on mortgages too.)

8. Be a bit of business friend you can introduce to the bank? Do so, it does both of you good. Don't blot your copybook with your black sheep cousin from Australia. Your manager might also be pleased if you put some of your insurance policies of other business through the bank. But consider whether all your financial eggs should be in one basket. A good manager should understand if you believe they should not be.

9. Following the golden rules, but still having trouble? Banks are not perfect institutions and you may be unlucky enough to run into a difficult chap. Don't just move your account to the other bank down the road. Try to keep within the same bank, and ask friends for a recommendation for another good manager. If you are in an unusual job, ask your colleagues. It can be difficult to establish a good borrowing relationship with a bank manager if you are a freelance stripper with an unusual income pattern, and all his other clients are civil servants who have their salaries paid in every month.

10. Finally, put your bank manager on your Christmas card list, and if you're feeling well looked after, send him a (liquid) token of your appreciation.



We live on this planet by courtesy of the earth's plants. Plants protect soils from erosion, regulate the atmosphere, maintain water supplies and prevent deserts forming. Without plants man could not survive. Yet, we're destroying the tropical rain forests they grow in at the rate of 50 acres a minute - making a crisis for ourselves and a bigger one for our children.

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- * At the end of five years we will ensure wherever possible that you can realise your investment.
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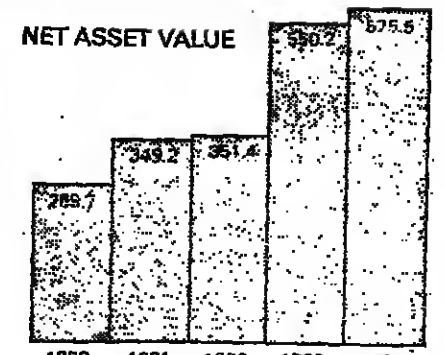
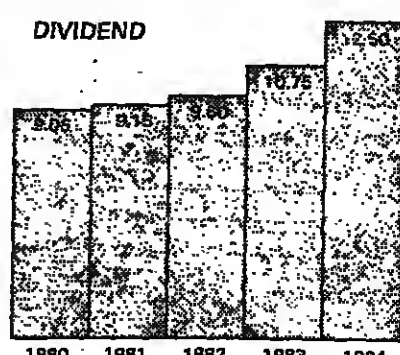
The application list will close when the Offer is fully subscribed or at midnight on 31st October 1984, whichever is earlier.

The Second Alliance Trust PLC

Record dividend and assets

Further Growth

FIVE YEAR RECORD — pence per share.

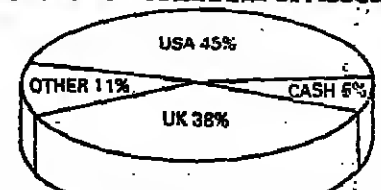


• 16% increase in Ordinary stock dividend. Income growth exceeds rate of inflation in last 5 years.

• Record asset levels benefit from 48% of investments held in US dollar securities and cash.

• 64% of assets invested overseas providing international participation in expanding industries and investment opportunities.

Distribution of £111m of Assets



For a copy of the Report and Accounts, please return to The Secretary, The Second Alliance Trust PLC, 64 Reform Street, Dundee DD1 1TJ

Name _____
Address _____

Handwritten signature: J. P. ...

هكذا عندنا

YOUR SAVINGS AND INVESTMENTS

Tax on pay-offs is a tricky business

Lawrence Lever outlines how much relief you can claim on a lump-sum payment

SOME RATHER large golden handshakes have been announced recently. Last week, for example, Sir John Mayhew-Sanders...



Table showing tax calculations for lump sum payments. Columns: Without lump sum, With lump sum. Rows: First 15,000 at 30%, Next 2,800 at 40%, etc.

The tax payable on the lump sum is therefore £19,960 (£19,960 - £11,695) which equals £8,265.

Mother's taxable income

I wish to start interest payments to my retired mother for a loan advanced some while ago. Would there be any advantage to drawing up a deed of covenant...

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Could you please tell me if I will be liable to any UK taxation—death duty or CTT and CGT from the date of inheritance to the date of sale?

Further facts about the property which might be helpful are:

(a) Originally in mother's name. On her death in 1961 it passed on to my father and her five children.

(b) On my father's death in 1970 his share passed on to my five children and his son from his first marriage.

(c) In 1975, with everyone's agreement the property was transferred to my brother and me.

It seems pretty clear, from the facts outlined, that (although you are resident and ordinarily resident in the UK) you are still domiciled in Pakistan.

By reason of your Pakistani domicile, the gain which arises upon the sale of your 50 per cent interest will only attract CGT to the extent that the proceeds are remitted to the UK, broadly speaking.

Ask your tax inspector for a copy of the free booklet IR20 (Residents and non-residents: liability to tax in the UK), which includes a brief

outline of the complex and arbitrary principles upon which someone's domicile is determined under English law.

Managing agent's fee

Our managing agent sends us six-monthly bills for maintenance showing a breakdown for (a) communal electricity, (b) gardening, (c) window cleaning, (d) managing agent's fee.

Since his fee always comes to virtually the same as all the other elements added together, we think it high for the amount of work involved. We have asked for a breakdown of his fee but this request has been ignored.

Does the 1980 Housing Act entitle us to a breakdown of his fee?

We think that you would be entitled under the Housing Act 1980 to an explanation of how the managing agent's fee is calculated; and to challenge it if it is not a reasonable fee.

I exchanged contracts on the purchase of a property, but a few days prior to the agreed completion date my solicitor advised me that the vendors refused to sign the necessary completion documents.

The vendors have separated and I understand that your refusal results from their disagreement on the distribution of the proceeds of sale.

My solicitor agreed that the equity resulting from the

Dispute over a completion

I exchanged contracts on the purchase of a property, but a few days prior to the agreed completion date my solicitor advised me that the vendors refused to sign the necessary completion documents.

The vendors have separated and I understand that your refusal results from their disagreement on the distribution of the proceeds of sale.

My solicitor agreed that the equity resulting from the

Property in Pakistan

I am, with my brother, a joint owner of a property in Pakistan inherited from our parents. As I have never received any income from it, in the past I thought it unimportant to divulge this fact to the UK Inland Revenue.

I now wish to sell my share to my brother however, as the sum involved is quite substantial in relation to my current savings it may have to be declared in my tax returns.

Finally, you should not assume that your statutory redundancy payment will be automatically tax free. It is taken into account where a lump sum termination payment is also made in order to determine by how much the total payment you received on termination exceeds the exempt limit of £25,000.

The amount of relief and the overall tax bill for the director is calculated as follows:

does not continue working. Disability includes not only a sudden affliction which precludes the director or employee from carrying on, but also a continuing incapacity, caused by chronic illness.

2—Lump sum payments from an approved pension scheme.

3—Payments where the director or employee worked abroad for certain periods—for the whole of the last 10 years, or for three-quarters of the entire term of service.

Where none of the exemptions apply, the first £25,000 of the terminal payment will alone be exempt from tax.

Before April 6 1981 the exempt limit was £10,000 and £5,000 before April 6 1978.

Most lump sum payments will fall within the £25,000 limit and therefore be exempt in full. Those exceeding this figure are added to the recipient's other income for the year and become taxable. But special relief is available until the termination payment exceeds £75,000. Only any excess over and above £75,000 is taxable in full at the recipient's top rates.

The operation of the special relief is shown in the example below. It works in the following manner:

(a) The amount above £25,000 and up to £50,000 is taxed at half of the difference between the tax payable if this sum were added to the recipient's other income, and the tax payable excluding the lump sum.

(b) The amount above £50,000 and up to £75,000 is taxed in the same way except that the relief is limited to a quarter of the differential as calculated above.

Here is an example: A director receives a lump sum payoff of £39,400. His taxable income for 1984/5 was £30,000.

N.B. the first £25,000 of the lump sum is exempt, so the taxable element is £14,400.

The amount of relief and the overall tax bill for the director is calculated as follows:

The Investment Trust Table

Large table with columns for Total Net Assets, Investment Policy, Management, Share Price, Yield, Net Asset Value, Geographical Spread, Gearing Factor, Total Return over 5 years, and Indices of Five Year Total Return. Includes sections for Capital & Income Growth, Capital Growth, and Split Capital.

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PROPERTY

Expatriate demand is on the rise

BY JUNE FIELD

HE IS an electrical engineer, his wife works in a bank. I met them in the World Trade Centre Club in Hong Kong recently, at a party given by one of the many estate agents who promote property in Britain to both the expatriate and Hong Kong Chinese market.

For this British couple was not worried about what would happen in 1997, when China takes over the Crown Colony, because they would be retiring back to England in a few years' time anyway and would need a home.

They have just bought a £40,000 flat in Baron's Court, W.12 site used. The idea is that it will be let furnished and when they finally return they hope to step up to a £75,000 house in the country, incorporating any profit made from the lower-market property.

The package of purchasing, furnishing, letting out and management is the first essential for the overseas buyer. It is the agents who can offer this complete service who are doing the business.

"Demand from Hong Kong for London residential property is high, with the emphasis on flats and houses in Chelsea, Kensington and Knightsbridge, as these areas show the highest yields on a sub-let, furnished basis—an average above 10 per cent gross per annum excluding capital appreciation," says Willie Tuckett, partner, Farrar Stead and Glyn, whose offices cover these areas.

For instance, on a two-bedroom flat in Harcourt Terrace, SW10, on a gross rental of £155 a week the yield is 10.74 per cent gross, which comes down to 7.53 per cent after deducting outgoings of rates, service charge, ground rent, 15 per cent management fee plus VAT, and allowing 30 per cent income tax on the net income.



Adam Faith is selling Crockham Grange, Kent, formerly the dowry house to Chartwell, country home of Sir Winston Churchill, for in the region of £285,000, through Hampton & Sons (01-499 8222) and Fox & Manwaring (0732 862184)

Tuckett, Farrar Stead and Glyn, 152, Fulham Road, London, SW10, or at their Hong Kong office in the World Trade Centre.

"This year has seen a steady flow of potential purchasers who feel safe with the London property market," says Ronnie Andjel, chief executive, Mandrill International Properties, who represent Chestertons in London. If there is a developer building a block of apartments near central London where units will sell in the £100,000 bracket he says that he has a waiting list of both Hong Kong Chinese and expatriates anxious to buy off plan. Mr Andjel can be contacted at his offices in Duddell Street Central, Hong Kong, or through Bruce MacEachern, Chestertons' Kensington High Street office, who will send a free copy of *The Key to Furnished Letting*.

Linda Beane, Hampton and Sons, Arlington Street, SW1, who have just formed an association with Henslow Davies Properties in Hong Kong, confirms the appeal of the package deal for buyers from overseas, whatever nationality. "The main criteria for anyone selling in this selective market are that the accommodation offered must be well-maintained, with immaculate decor and ready to move into."

Hampton's recently sold a three bedroom freehold house in Harker Street, Chelsea, complete with quality carpets, curtains and equipment for the asking price of £185,000, and the place is already being let furnished for around £350 a

week. Currently on offer are lavishly presented, large apartments in a mid-1960s block, Audley Court, Hill Street, Mayfair, where prices range from £235,000 to £450,000 for 77-year leases, the price reflecting that fact that the impressive living-rooms make them suitable for business entertaining.

The sort of people who are buying through Winkworth's are mainly senior executives in Hong Kong earning a high salary, says Michael Sloop of their New King's Road, SW6, office. "Many of them already own a property in London, and are either looking to upgrade or even buy a second property."

Out of London, in Surrey, Ann Croft, managing director Mays (0872 843811), reports a good demand for new houses. For example a Chinese family bought a new house on a Whelan development in Chislehurst. "The children are being educated in England, and the property is looked upon as a worthwhile investment with a certain capital appreciation, as well as being a convenient base. A four-bedroom house just sold is now let at £1,570 a month."

A log for your house

DO YOU know whether your walls are constructed of stone or brick, are rendered or painted? Or where the system drainage point for your central heating is, the last time the

dining-room was decorated and how much it cost, or who fitted the double-glazing in case of repair?

In a recent survey carried out by a Somerset-based property and financial services company, Davenport, Kingston and Co., it was found that in many cases householders had a jumble of appliance manuals and repair bills, but had little idea and no record of the basic facts about their homes.

Now the company has produced a useful property log-book which can be handed on to a buyer when you come to sell. Each owner is listed, as for a car, and there is space to put in everything, from where the gas man is to the size of the garage, the sort of soft fruit planted in the garden and whether the greengrocer delivers.

There could be a bit more space allowed for "antique features" and the history of the home, so the only thing to do is start your own appendix. The booklet is £1.95 plus 25p postage from Mr Hussey, Davenport, Kingston and Co, Grey stones House, Hush Episcopi, Langport, Somerset. For those who seriously want to learn the ins and outs of building methods and materials, then one of the *How Old is That House?* one-day seminars is well worth attending. The next £40 to include lunch is at Canterbury on Thursday, and there is one in Tunbridge Wells at the end of next month. Details: Phillip Miller, Miller and McCoy, 12, Phillimore Walk, London, W8 (01-835 1832).

GARDENING

Hard workers all summer long

BY ARTHUR HELLYER

IMPATIENS ACQUIRED the popular name Busy Lizzie because it hardly ever stops flowering. The wild plant, *Impatiens sultani* (or *I. wallerana* in the new nomenclature) comes from eastern Africa, is quite bushy and one to two feet high but in gardens its place has been completely taken over by new varieties selected for their dwarf spreading habit.

In the old days Busy Lizzie was grown almost exclusively as a pot plant for moderately heated greenhouses or rooms but it is now mainly thought of as a summer bedding plant, flowering non-stop from May to October and then thrown away, to be replaced by a new batch of seedlings the following spring.

Since it flowers as well in shade, provided it is not too dense, as it does in sun and the colours are very intense and clear, it has become very popular but it is a pity that this has rather obscured its value as a pot plant.

In a week or so I will dig up some of the plants that have been flowering outdoors all summer and will pot them individually in the smallest pots that will contain their roots so that they can go on flowering in the greenhouse, and maybe two or three of them indoors, as long as they like. Precisely how long that will be will depend on the temperature. While it remains at or above 15 deg. C (59 deg F) the flower buds will continue to form and open but as it gets cooler they will start to fall off and so may many of the leaves.

yet. I see that in the Royal Horticultural Society (RHS) garden at Wisley it is being used as a bedding plant but I do not think the colour is sufficiently strong or clear for this.

It looks far better in a mixed border or in a rock garden which is where it has been growing in my garden for a couple of years. I have heard nothing but praise for it and the RHS gave it its highest award, the first class certificate, this summer.

Another diacea which has been grown for much longer in Britain and is also a good performer is *D. cordata*, a sprawling plant which will infiltrate itself into any crevice. In my garden it is filling a brick wall I built with soil in place of mortar.

The Shrimp Plant, *Beloperone guttata*, can rival Busy Lizzie for non-stop production and requires similar conditions. It will survive quite happily at 10 deg C (50 deg F) but the 15 deg C (59 deg F) minimum is the one to keep it flowering. It got its popular name because the little curling flower spikes look rather like shrimps (Dublin Bay prawns would be nearer the mark) and they have a bronzy pink colour due to the close sheaf of bracts which wrap around the small white flowers.

Like the modern Busy Lizzie, *Beloperone* is now thought of almost exclusively as a bedding plant yet it is also an excellent pot plant and the name "semperflorens" — meaning ever-flowering — was not given for nothing. I have plants in my garden that started, in 1983, spent last winter in a moderately heated lean-to greenhouse and are still flowering.

The common zonal-leaved geranium or pelargonium is yet another plant that is increasingly being grown from seed for summer bedding and then thrown away in the autumn to save the cost of keeping the plants in a heated greenhouse all winter. This may be fine for parks, which have other things to grow under glass in winter but it seems to me to be a nonsense for all those home gardeners who have sunny windows or small, economically heated greenhouses in which the plants will overwinter safely and may well go on flowering throughout.

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TRAVEL

In search of winter sunshine

BY ARTHUR SANDLES

ONCE MORE the legendary view of Mt Fuji that so gracefully decorates the postcards is now to be seen: A deep grey cloud has hovered over Tokyo this week, venting its autumnal fury from time to time with a downpour.

Meanwhile, back in Europe, late holidaymakers are still finding sun-drenched sands and heat-soaked vistas in the Mediterranean, but even its eastern corners will soon feel the chill of autumn in the evening. Winter will soon be upon us.

Unlike our American cousins, who tend to stay at home in the summer and escape to balmy climates in the winter months, Europeans continue to suffer the chills in summer and migrate just when things are looking brighter in their own back garden.

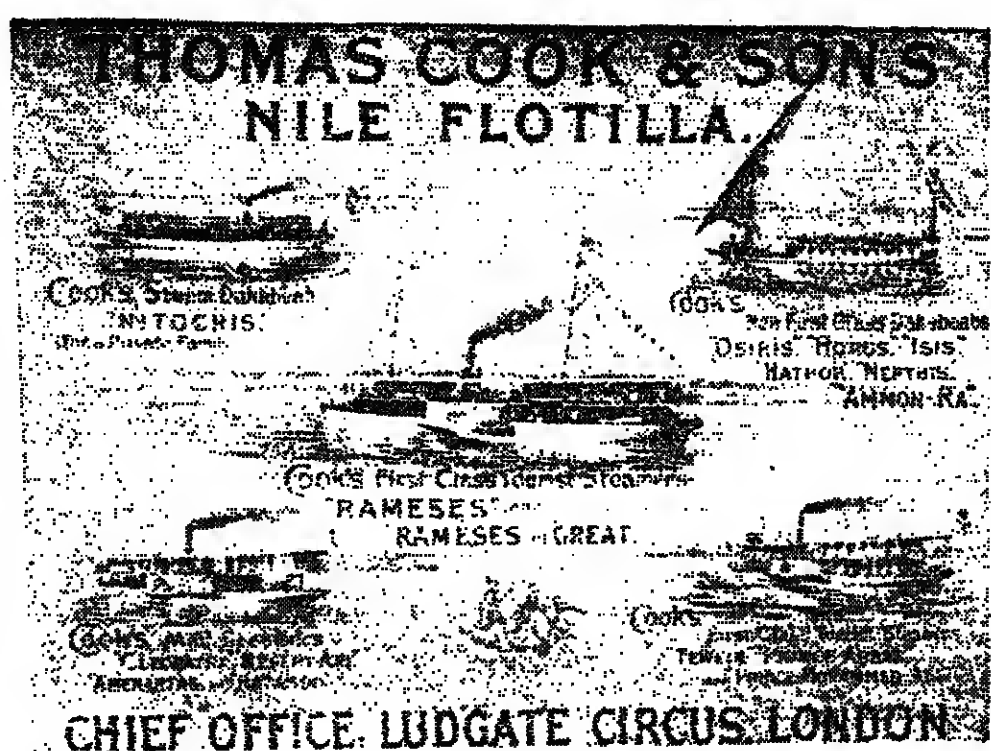
There is a perversity regarding madness in this practice, of course. This summer in Britain was surely confirmation that leaving for foreign parts in July of August is pointless and at least as far as the weather is concerned, is difficult to justify. But there are other factors.

Summer holidays abroad have been relatively cheap, even if they will be less so in 1985. Winter holidays that give any guarantee of sunshine for a UK resident have, by contrast, been on the pricey side. There are very few destinations that can offer any guarantee of sunshine to the British holidaymaker that are less than a day's travel away from London.

No matter what the brochures say, most of the Mediterranean takes on a chilly aspect from October.

For a hand-on-heart promise of winter warmth with acceptable standards of accommodation and other facilities you have to look at destinations like Eilat in Israel or, for the culture set, the Nile.

But what, perhaps, a little more demanding in their traditional retreats of the British abroad, Spain, Italy, the Greek Islands and Portugal, the climate in the depths of the British winter tends to be very much what we would expect in April or May, with pleasant days and perhaps a cooling reminder that



Very posh (port out, starboard home): How Grandmama took the winter sun

summer is not yet with us in the evenings. These are not ideal beach and bathing conditions, but they are perfect for getting around and seeing things.

In these places you are really are talking about bargain prices, particularly when the increases threatened for the summer of 1985 are taken into account. Two weeks in a reasonable Costa Blanca hotel in February, including flight and full board, can be had for around £20. The average day temperature at that time of the year is likely to be around 65 deg F, some 20 degrees better than in London.

This is about the same as Madeira, where you would be talking about say £275 for a couple of February weeks bed and breakfast in a goodish hotel. It is slightly warmer than Portugal or Cyprus.

If you are not to be shaken in your pursuit of a sunnier than the nearest and cheapest spots are the Gambia and Eilat, and neither have very much to offer beyond a decent winter climate.

The Gambia is around six hours flying time from Gatwick and with that much flying I would take a tour that offered wide-bodied flying rather than the slightly slower and certainly more claustrophobic narrow jets used by some operators. A narrow strip of a country biting into the west African coastline, it remains one of the few destinations on the whole continent where political or safety con-

ditions are not a major obstacle. But this is not the Africa of abundant wildlife and mystic customs. It is a world of simplicity and smiles. Take a large bottle of suntan lotion, several good books and an amiable companion.

Eilat, the Red Sea resort area which the Israelis are heavily promoting, is slightly nearer and marginally less expensive to reach (although you may spend more when you are there). The nightlife in Eilat is a bit more sophisticated and the range of dining certainly more extensive, but there is very much a manufactured feel about the place.

In the case of both the Gambia and Eilat you are talking in the range of £400-£500 as a starting point for two February weeks. You start moving to the £700 level when thinking in terms of a Caribbean holiday, and that is before the nasty subject of surcharges. More realistically one should think in terms of £1,000 upwards for international standard hotels in most of the islands if you are planning a two-week trip from the UK in the winter months and, for the real holidaymakers, somewhat more.

There is no doubt that the Caribbean offers the best of holiday climates in the winter months. Although the weather at this time of year is a little uncertain it has usually settled well before Christmas. In December, January and February you can expect daily tem-

peratures in the eighties, at least eight hours' sunshine a day and, when there is any rain, very little of it.

The unfortunate factor for the British holidaymaker this winter is that the islands are very much tied to the American market and the dollar rates supreme. Prices are therefore dollar oriented and can come as something of a shock to anyone spending sterling, or D Marks or Francs of any variety for that matter.

Further afield, the traveller is best advised to research the weather fairly carefully. Do not assume that just because it is to the south it must be warm and dry. Hong Kong in the winter months, for example, is drish, but from Christmas to Easter (when the rains return) it can be chilly. Bali is warm, but in January in particular it is drenchingly wet. You are fairly safe weatherwise in Sri Lanka or Thailand, but beware of the Seychelles and Brazil.

A sad reminder that distance does not improve the weather comes as I gaze from my Tokyo window at the moment, knowing that the right boom to London leaves in a few hours. It is seeming down. Any last minute sightseeing will have to be done from beneath an umbrella. At least the Suno wrestling takes place under cover, so perhaps I'll mope for that, dreaming meanwhile about the long hot English summer I left behind.

MOTORING

Alfa Romeo tries again with 90

BY STUART MARSHALL

ALFA ROMEO hasn't had much luck in Britain lately. The 33 does not have the same sporting appeal as the Alfaud it succeeded. The Giulietta and Alfetta are getting long in the tooth and you have to be a true Alfa buff to overlook the vague and crunchy gear change. The Alfa 6, though a pleasing car to drive, was as big a commercial disaster as everyone except optimists at Alfa Romeo knew it had to be.

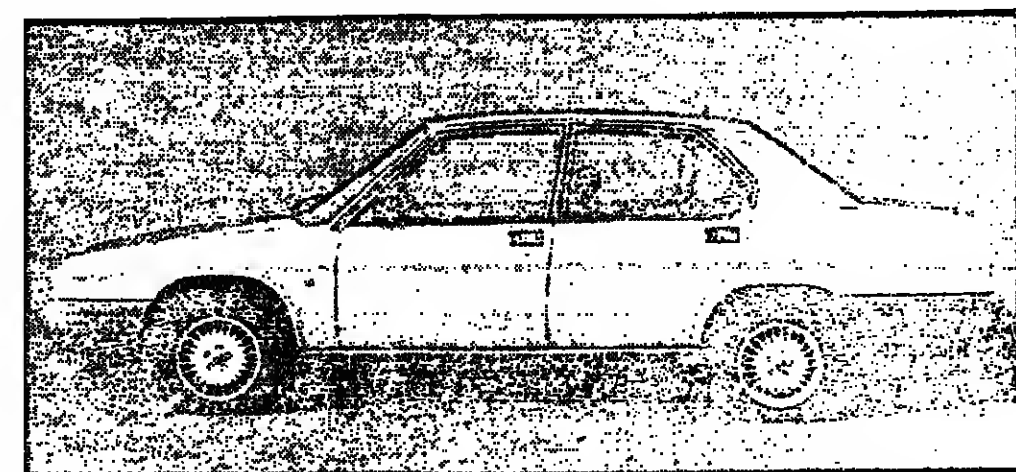
As a result, Alfa sales this year have been little more than half those of 1983. It's too late to work a miracle this year but ascendancy once again in the New Year when the car that succeeds both Alfetta and Alfa 6 is due to go on sale. It is the Alfa 90 Gold Cloverleaf, a five-seat, power-steered and luxuriously appointed 2.5 litre saloon that will sell—at any rate, will be listed—at between £11,500 and £12,000.

Last week I tried the 90 Gold Cloverleaf (and a similar 2.4 turbo-diesel that won't be coming to Britain) on minor roads and autostrade north of Milan. It is a good car; the first big Alfa I felt I could live with since the 1750 of more than 15 years ago. It needs to be a good car because it is up against formidable competition from the Mercedes-Benz 190E, Saab 900 Turbo, BMW 325e, Renault 25GTX and Rover 2500 Vanden Plas, to name a few.

The Alfa 90's engine is a 156 bhp fuel-injected V6, virtually the same as was used in the Alfa 6. As the 90 is nearly 6 cwt lighter than the Alfa 6 and rather more slippery in shape, it will clearly be lively. The makers claim a 125 mph maximum, reached in fourth gear. Fifth is a long-legged galloping gear, for relaxed cruising; 2,750 rpm gives 70 mph and 3,300 rpm 100 mph in this overdrive top. Economy benefits; it would be a heavy-footed driver who did not get close to 30 mpg on a British motorway journey.

Although there is a family resemblance, the new 90 is in no way a done-over version of the Alfetta, nor does it owe much to the Alfa 6 except for the engine. Aerospace bonding techniques are used in body assembly. Conscious of past criticisms of corrosion resistance or the lack of it—in its products, Alfa has rustproofed the 90 thoroughly enough to offer a six-year warranty.

The gearbox is mounted in unit with the final drive, as it is in the Alfetta and GTV models. But the 90's shift is



Alfa Romeo's challenger in the executive market—the V6, 2.5-litre-engined 90 Gold Cloverleaf, which will be exhibited at the Motor Show next month. The front spoiler automatically lowers to improve high-speed stability

greatly improved. Much stronger synchronesh and a new linkage between levels and gearbox makes the shift lighter and eliminates the crunch that always accompanied hurried selection of first when the car was stationary. The driving position now suits long English legs as well as short Italian ones. But tall people like me will find the gear lever is about nine inches too far forward.

Traditional Alfa suspension, including a de Dion rear axle, gives an excellent ride. Combined with the even weight distribution, it makes the 90 a car that handles well enough to please typical Alfa drivers. Power steering varies the amount of assistance to speed and load. On winding roads, it still feels like a proper Alfa. In town, the 90 is effortless to park. Perhaps Alfa could now be persuaded to offer automatic transmission, as on the Six. It could only add to the 90's appeal to business motorists.

I liked the interior and especially the fascia, with an electronic instrument display that is simple and straightforward. There is a small but versatile on-board computer and a diagnostic panel that warns of things like bulb failure, a door not properly closed or low fluid levels. But why put the electric window switches up in the roof, as they might be in an aircraft? They would be far better in the doors. And I really can't see the point of a handbrake shaped like a squared-off croquet hoop. Like marks, though, for a steering wheel adjustable for angle and reach and for a wheel and gear lever knob that no longer appear to be made from toffee apples.

A bright idea that deserves to be widely copied is the removable carry-all case that is made from the same material as the fascia and slots into the glove box. You put all your valuables in it and, when you park, take it away with you. In a country where thieves will have the stereo out of a car in the twinkling of an eye, it should be very useful. Providing you don't get mugged on the way into the hotel, of course.

Those who find them so awful would do well to keep off the autobahn. Germany has a more than adequate system of state roads (like our A-roads) with a 62 mph speed limit. It's not compulsory to go by autobahn, nor do you have to drive at high speed on them. But keep out of the way of those who want to go faster. German drivers do get rather impatient with motorists who think the right-hand lane is for lorries and who sit in the centre lane—even worse, the left-hand lane—at 55-60 mph.

No ordeal on autobahnen

Is driving on the German autobahnen the terrifying ordeal some recent letters to the Editor have suggested? Not in my experience. Correspondents spoke of cars driving nose to tail at 100 mph, flashing headlights to bully slower traffic out of the way. That sounds more like a British motorway to me, because we are inveterate tail-gaters (and the Germans are not) and headlamp flashing is now unlawful on the autobahn. If you want to overtake a car

Advertisement for FENCOMBE MEWS, a residential development in Denbigh Road, London, W11. It features a large illustration of the mews and lists amenities like high quality freehold houses, 34 bedrooms, and fully equipped kitchens. Contact Alex Neill at 01-221 2000.

Advertisement for FOX & SONS, a real estate agency with over 80 offices. It advertises properties in Devon and offers services like mortgage advice and property management.

Advertisement for AMERICAN EXECUTIVES, offering luxury furnished flats or houses up to £300 per week. Contact Phillips Kay & Lewis at 2294 RESIDE G.

Advertisement for SWOFFER READ & PARTNERS, a real estate agency. It advertises properties in BILLCIRY, Essex, and offers services like mortgage advice and property management.

Advertisement for BILLCIRY, Essex, offering residential properties. It advertises a 5.5 acre prime location for sale by tender, closing on 22nd October 1984.

Advertisement for John James, a real estate agent. It advertises a property in Little Wymondley, Hertfordshire, with a Grade II listed 14th Century Priory.

Advertisement for DEVON WOODLANDS, offering 1090 acres of land. It advertises an exceptional large scale forestry investment opportunity with 800 acres of high yielding coniferous plantations.

Advertisement for Overseas properties, including Guadalupe, Marbella, and Antigua, West Indies. It advertises a wide range of quality villas, apartments and land for sale.

Advertisement for EQUITY CAPITAL OPPORTUNITY NEW ZEALAND. It advertises a company specializing in mid-city town house development, requiring NZ\$1m plus or share capital in company to be formed for the purpose of investing in mortgages.

Advertisement for Overseas Property, featuring the Victory Village Club in Quinta do Lago, Algarve. It advertises a superb residential club in the heart of the Algarve's most prestigious estate, with apartments from £30,000 and villas from £91,000.

Advertisement for Chestertons, a real estate agency. It advertises Costa Del Sol properties, including a 7 Lower Sloane Street, Sloane Square, London SW1W 5AH.

Advertisement for homes overseas exhibition, featuring properties in Costa Del Sol, Antigua, West Indies, and Guadalupe, Marbella. It advertises a wide range of quality villas, apartments and land for sale.

Advertisement for SWITZERLAND BERNESE-OBERLAND LAKE THUN. It advertises a unique opportunity to purchase an apartment in a superb winter summer location near the lakes and mountains.

Advertisement for WE'VE FOUND 'SOMETHING A LITTLE DIFFERENT', featuring properties in Costa Del Sol and Costa Del Sol. It advertises homes offering peace and tranquility and breathtaking views.

Advertisement for NEAR MONTREUX, featuring properties in Montreux, Switzerland. It advertises a superb location for a holiday home or investment property.

Advertisement for MONTREUX NEW DEVELOPMENT, featuring properties in Montreux, Switzerland. It advertises a top quality flats for sale to foreign investors.

Advertisement for EURO PROPERTY ADVISERS, featuring Jardines del Puerto in Puerto Banus, Costa Del Sol. It advertises exciting new luxury air-cond. apt. project designed by Javier Banus.

Advertisement for ALGARVE, featuring the 1984 Algarve in London Exhibition. It advertises a wide range of quality villas, apartments and land for sale.

Advertisement for UNSPOILT MENORCA ABBAYA, featuring properties in Menorca, Spain. It advertises a luxury 2 bedroom villa, swimming pool, tennis court, marina and beach.

Advertisement for BINIBELLA LTD, featuring properties in Binibella, Mallorca. It advertises a luxury 2 bedroom villa, swimming pool, tennis court, marina and beach.

Advertisement for SOUTHERN SPAIN, featuring properties in Marbella to beyond Gibraltar, Puerto Sotogrande, and Sotogrande. It advertises a wide range of quality villas, apartments and land for sale.

Advertisement for CHESTERTONS OVERSEAS, featuring properties in Costa Del Sol, South of France, Algarve, Switzerland, Sardinia, Mallorca, Menorca, Ibiza, and U.S.A. It advertises an extensive range of new and resale properties for sale.

Advertisement for PROPERTY IN SOUTHERN SPAIN, featuring properties in Costa Del Sol, South of France, Algarve, Switzerland, Sardinia, Mallorca, Menorca, Ibiza, and U.S.A. It advertises a high quality selection of individual villas and land.

Advertisement for A HAPPY CHRISTMAS, featuring properties in Austria. It advertises apartments for sale in world ski resorts, £20,000-£70,000. Glacier Skiing in summer, heated pool, sauna, tennis court, 2 nights free in hotel to view, 90% mortgage possible.

BOOKS

Many faces of Gore

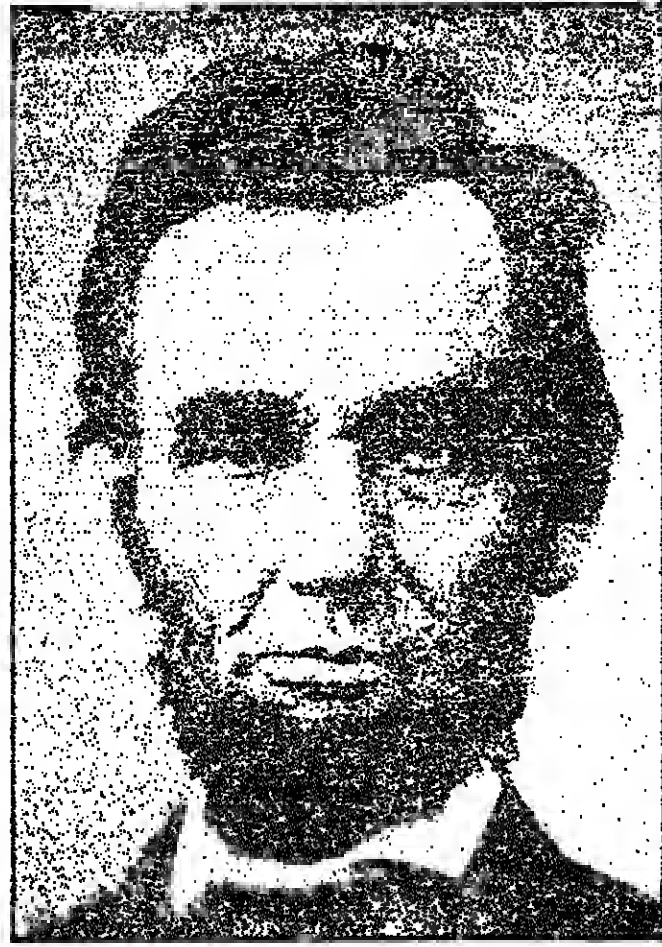
BY GEOFFREY MOORE

Lincoln: A Novel

by Gore Vidal. Heinemann, £9.95, 657 pages

What above all is remarkable about Gore Vidal is not his virtuosity, which is plain for all to see, but the single-mindedness which one senses behind it. Linking the roles of politician, playwright, television personality, essayist and best-selling novelist, there is a seriousness of purpose which has made him one of the most controversial Americans of our time.

This seriousness is reflected in the extent to which he has used the novel, in particular, for his purpose. In this, he is in a long line of American writers which begins with Hawthorne and Melville. The result sometimes makes hard reading. Keats and Coleridge are hard—too hard, perhaps, for the public which Vidal seems determined to reach. The same cannot be said of Washington DC, Burr and 1876. Studies of American political life they may be, but they are also superb narratives and, as a result, best-sellers. Now comes Lincoln, to complete—for the moment—an "American Quartet" and Vidal ascends us again.



Abraham Lincoln: historical hero of Gore Vidal's new novel reviewed today

great single-mindedness. He is himself a potential mover and shaker, a would-be benevolent despot. The words he put into Lincoln's mouth are significant:

"In my predicament, it is a good thing to know all sorts of stories because the truth of the matter is now almost unsayable; and so cruel."

Points North

BY CLIVE FISHER

Rich by Craig Raine. Faber & Faber, £5.95, 109 pages

"A Silver Plate," the central section of Craig Raine's Rich, should be filmed; indeed, on occasion the echoes of familiarity were such that one felt it had been here. Here, in this fragment of prose autobiography, were the clichés of Lewis Country: the coarse, gentle father, the kind mother preoccupied with 's and 't's. Hobbes, like pocket money, were things that other kids had. The outline is familiar; but the brightness of the memory which has recorded its details delights. Nor is the episode welcome only as a corrective to received opinion. It is a relief to find in the now mandatory Poet's Recollections of Northern England not only accuracy but also humour: a mother his her young son in a paraffin-drinker: "I wouldn't care, I wanted it for the lamp." One would have welcomed more.

This irresistible prose interlude ends affirmatively: no longer ashamed of his father, free from self-contempt, Raine feels "rich" again. If integrity entails spiritual wealth, can compromise imply poverty, particularly when it is so minor as the politics of human security? "We are unprepared, for all his compromising gifts/

Harry's line

BY GEORGE MALCOLM THOMSON

The Spencers of Althorp by Georgina Battiscombe. Constable, £12.95, 272 pages

Cry "God for Harry!" In a week when most people seem to be doing precisely that it is good to have this book about his background on his mother's side.

The origins of the Spencers were, like yours and mine, obscure. In the fourteenth century they were sheep farmers in Northamptonshire but, already, coming up fast. Not through war or conquest, not through the timely rebellion or the adroit intrigue, but because they knew what to buy and when.

So, by the early sixteenth century, the Spencer property was worth £3,000 a year. In effect, they were millionaires.

They had another gift, too. As Mrs Georgina Battiscombe, latest and liveliest historian of the clan puts it, "The Spencers had a happy knack of marrying well." Only the Haphurghs have done better. One John Spencer married the daughter of a wealthy merchant; his son married an immensely rich heiress; three of his daughters married, in succession, five peers. So by one peaceful way and another, the Spencers moved up through the ranks of the gentry towards those of the nobility which at last they reached in 1602. The Spencer of the time was thought to be the richest man in England (income £8,000 a year). Basically they remained farmers and sportsmen, frugal and careful with money, in politics cautiously to the left of centre.

When the Civil War came, the Spencers of the period fought for the King less out of conviction than from a dislike of being called a coward. He was killed at Newbury. He had lent the King £10,000 and in return was made an earl. At the Restoration, Charles II repaid the debt.

The Spencer (Lord Sunderland) of 1688 played a conspicuous but highly ambivalent part, being a Puritan convert under James II and a Protestant minister "behind the curtain" in William of Orange. His son, Charles, married Marlborough's daughter, Anne Churchill and was famous for his bad nose. He enlarged the library at Althorp which was to become the finest private collection of books in the world: 42,000 volumes, 53 of them Caxtons.

But the outstanding benefactor of the library was the second Earl Spencer an enthusiastic collector who scoured Europe for rare books. It was an age in which English noble-

men were playing the part as patrons of the arts that in our day has been taken over by the Americans.

Another Spencer, turning the family talent for collecting in a different direction, improved the Pynchley breed of foxhounds.

Through the years end the generations, the Spencers remain a group of family traits—they love the country, and the open air; they dislike London; they are good landlords and good businessmen; go into politics from a sense of duty.

Maybe the most interesting of them is the one who, as Lord Althorp, shares the credit of the Reform Bill with Lord John Russell. His extraordinary hold on the House of Commons was based on his transparent honesty and his common sense. It was certainly not based on any more showy quality.

One evening he answered an able speech by an opponent of the bill by telling the House that "he had made some calculations which he considered entirely conclusive in refutation of the honourable gentleman's arguments, but unfortunately he had mislaid them, so that he could only say that if the House would be guided by his advice they would reject the amendment." The House, on both sides, was quite satisfied. The un-reformed Parliament was a different piece from the one we have now.

Althorp was slow-witted; his speeches were an agony to hear: he roled the House by sheer character. When he stood watching the fire which destroyed the old Palace of Westminster, somebody urged him to take control of events which the firemen were bungling. He replied:

"I haven't seen a fire since I was five years old and these men extinguish one every night. They understand what is in he done better than I do."

When the government fell, he went back to Northamptonshire as a forester of heaven. A friend tried to persuade him to take office under Melbourne. He pointed to the lambs frolicking outside on the lawn: "Nothing can induce me to leave them."

In a way, then, the Spencers have remained pretty well where they started, keeping sheep in Northamptonshire. In the intervening time, they have played, as Georgina Battiscombe shows in this entertaining survey of the family and its connections, a busy and sometimes surprising part in the political, social and agricultural life of England. Also, they have continued to marry well.



Nicola Bentley's caricature of Agatha Christie whose authorized biography is reviewed below

Mrs. Mystery

BY WILLIAM WEAVER

Agatha Christie by Janet Morgan Collins. Collins, £12.95, 393 pages

There is a deep-seated prejudice against official biographies, as if they were written only to conceal the unsavoury facts of the subject's life and present a virtuous, bland, uninteresting facade. But there is another reason why heirs and descendants prefer in earnest family papers and private recollections to a biographer of their own choice, rather than fling open the cupboard to any and all, thus inviting what one critic has called the "xerox and run" school of scholars and pseudo-scholars. That reason is quality. Thus Agatha Christie's family, understandably devoted to her memory, and rightly outraged by a number of cheap and incorrect books and articles about her, wisely chose to assign the task of telling the writer's story to the experienced Janet Morgan, whose skilful editing of the Crossman diaries demonstrated her perceptive way with documents.

Miss Morgan's task must have been pleasant, for Agatha Christie is a winning subject; but that some task cannot have been easy. Dame Agatha was a saver, and so, evidently, was her family. The sheer mass of documentation is, therefore, immense; just the task of deciphering the scrawled notebooks—where plot ideas are jumbled with daughter Rosalind's school-exercises and other minutiae—must have been daunting, the more so as the Mistress of Mystery wrote a notoriously impenetrable hand (and her erratic spelling cannot have helped).

But Janet Morgan has read everything, published and unpublished, and has been able to construct a finest, simply written narrative (the subject would surely have admired the directness of the prose, and might well have envied its impeccable syntax). The story has been told, at least in part, several times already. In Agatha Christie's autobiographical writings, in the memoirs of her husband, Sir Max Mallowan. But coming from another generation, the official biographer is able to see events in enlightening perspective. The tone is affectionate (as Agatha's countless admirers would want), but not uncritical. Nothing is skirted. The facts of the disappearance during December 1926 are honestly presented, and a number of legends are dispelled. Similarly, the problem of Agatha's anti-Semitism is honestly, but honestly discussed and, again, seen in perspective.

Agatha's prejudices, which were mild, were a part of her background; they went with her knowledge of China; her talent for hospitality, her appreciation of fine food. What is astonishing—and what neither the biographer nor anyone else can explain—is how this rather conventional, normal, upper-middle-class woman succeeded in capturing the imagination of the whole world and continuing to hold it, as her global sales climb towards the half-billion mark.

Janet Morgan keenly analyses the Christie canon and the Christie idiom, seeing virtues and defects. Her comments illuminate also the story she is telling. The volume unfortunately contains no bibliography, notes, or chronology; but these can be found elsewhere. What this book gives is a portrait, full-length, in warm colours. It certainly seems to be a speaking likeness.

MARK H. MCCORMACK 'What They Don't Teach You At Harvard Business School' £7.95

MEGATRENDS John Naisbitt An analysis of ten observable trends of today that are pointers to the future NOW A FUTURA PAPERBACK £2.50

Funny man

BY JANE ABBY

Life's Rich Pageant by Arthur Marshall. Hamish Hamilton, £5.95, 205 pages

Life's Rich Pageant is Arthur Marshall's autobiography; the title is not a quotation from Shakespeare, but the so minor description of his own life. He is a merry man. I think it was Bertrand Russell who described people as being either optimistic pessimists or pessimistic optimists, but Arthur Marshall is an optimistic pessimist. At 74 he is in his prime, swimmers and mathematicians alike, and Mr Marshall is a rosy-cheeked, well-matched apple. His book is written to entertain, and will be pleasing to fans of his jovial humour.

The author has had two careers. A schoolmaster at Oundle until the age of 44, he then joined the entertainment world, first working for H. M. Tennant, and now as a journalist and broadcaster. (His narrative throughout has stage directions, asides, and "one-liners" in brackets.) At first a reluctant pedagogue, he soon found he enjoyed teaching: "My theatrical leanings were assuaged for the simple reason that teaching is in itself a form of acting." He was not a conventional teacher; he despised of instructing "Scripture," and substituted Holy Writ by readings from Cold Comfort Farm and the works of Lytton Strachey. French lessons became a series of playlets from everyday life, a most sensible method of encouraging children actually to speak a foreign language. He reorganised school theatricals, and he wrote the diminutive dramas which tickled his friends. Many of these are a tease on her—her books, like his, have given great pleasure, and his schools are not entirely risible. Perhaps he has some remorse, as he has reproduced a stunning photograph of her looking like the second

Oundle ends at page 176, and the book at page 205, 29 pages for the last thirty years. This imbalance is to be regretted, one would like to know far more about the authors and actors who are the author's friends. He opts for:

"I find it very difficult to describe on paper my friends' characters and gifts accurately. Just take it please, that the less I say, the more I mean."

This is a marquee, for he is very good at describing his larks with Alfred Lunt and Lynn Fontanne, sympathetic about the idiosyncrasies of Hester Chapman, who believed that Boadicea is buried under Platform 7, at St Pancras, and extremely funny about Geoffrey Winn. But it is tantalising to find that he met Elizabeth von Arnim, whose Enchanted April was "of all the books the one I think I have loved best. Not only of hers. Of anybody's"—and not to have one word about his impression of this beautiful and powerful woman, and much underrated writer. What, for instance, does he think of her masterpiece, Vera? But Vera is a tragedy, and "I have made laughter a prime consideration in life, and have read books whose whole point was to provoke laughter."

There are occasions when Mr Marshall's insistence on mirth and giggles seem somewhat forced—was it a good joke to tell an unimaginative army officer that his name was Cynthia, and allow the officer to address him thus for a week? But it is all very English, and as cozy as the saying of his wonderfully named dilly woman, Mrs Beatrice Honeyball. "It's nothing that a cup of tea won't put right." There used to be a game in which one chose an ideal travelling companion (Lord Curzon selected Lady Diana Cooper as she was "gentle and vivacious"). I can visualise Mr Marshall as one of Chaucer's pilgrims; he would have lived up to the company no end, joined by the dreamy clerk from Ozenford, and got on like a house on fire with the wife of

Women of the world

BY RACHEL BILLINGTON

Significant Sisters: Active Feminism 1839-1939 by Margaret Forster. Secker & Warburg, £12.50, 353 pages

Femininity by Susan Brownmiller. Hamish Hamilton, £5.95, 270 pages

Margaret Forster's last "significant sister" passes over 10 where all humans are equal at the start of the Second World War. Her book tells the history of a hundred years of sexual injustice—economic, medical, social and political—and of the strong women who fought against the system. Susan Brownmiller's book contains a line in an early chapter which places it squarely in the 1980s. She writes: "The containerization of breasts is a significant question..." and continues with a discussion on the history of underwear.

It is tempting to see this contrast of subject matter as an example of the dilemma facing the Feminist movement today. The great battles have been fought already and with Ms Forster's collection of vivid biographies before us we can see just how long ago the sides were engaged. They were fought mostly by middle or upper-class women with high moral principles who had no wish to take over the role of men but who were not satisfied by their role as women. Their names are famous, Florence Nightingale,

Emmeline Pankhurst, Josephine Butler... None of them, except Emma Goldman, the twentieth-century anarchist, would have had any sympathy for the modern concept of Feminism.

Modern Feminism grew up when serious sacrifice was no longer necessary. What remains, however, which is why Susan Brownmiller's book has a strong fascination—for a woman, at least—is the problem of woman herself. Her very nature. For now the opportunities for entry into previously male-dominated worlds are won, women have proved curiously hesitant. We may have a female Prime Minister but there are hardly more female MPs than there were forty years ago. The aggressive Feminism of 10 years ago in which the male was prime target for attack has now developed an equally strong backlash with its arch-deacons, Betty Friedan and Germaine Greer, making emotional apologies for motherhood. The phenomenon was cleverly identified in a book by another American called The Cinderella Complex. This pointed to the shocking truth that many women still dream of being "a princess" and being loved after by a handsome prince.

Susan Brownmiller is a veteran feminist campaigner. Her book, Against Rape, gave a good push to the anti-male cause. But in Femininity she has lost a lot of that confidence. The result is a witty and surprising history book with chapter headings as if for a model's manual. "Hair." "Skin." "Voice." "Movement." Corsets are a major preoccupation. Why did women submit themselves to physical pain in order to appear more fragile and appealing to men? Were they lulled into it? Or did it reflect something inherent in their nature?

All feminists, whether nineteenth century or twentieth century, are made impatient by their sisters who solidly refuse to enter the battle-lines or even to admit they exist. Margaret Forster gives her reason for writing this elegant but essentially rehashing of old history as a demonstration. "That in spite of all the ups and downs, the victories and disillusionments... there is among all this apparent confusion a strong sense of direc-

continues to achieve, a better balance between the sexes in our country." Yet her most interesting conclusion is that none of her heroines wanted to eradicate their femininity. Her representative of political feminism, Elizabeth Cady Stanton wrote, "Our trouble is not our womanhood but the artificial trammels of custom under false conditions." Ms Brownmiller offers her opposite sex only to find them "as a step towards awareness."

Financial Marketing and Communications

by Dr. Karin Newman Gresham Fellow in Financial Marketing City University Business School

"Dr Karin Newman has produced a remarkably detailed study of developments over the years in all aspects of financial marketing and the dissemination of financial information. A copy of her book should be on the shelves of everyone concerned with this constantly growing field."

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Margaret Forster: female trail

Handwritten note in Arabic script: هجره سنة الف و...

هكذا عندنا القليل

HOW TO SPEND IT

by Lucia van der Post

Put your money where your feet are

NOTHING SO becomes a floor, in my view, as well as old and beautiful hand-made Oriental rugs. Happily for those who like their pleasures laced with economic sense, anybody who puts their money into such beguiling examples of folk art will enjoy a double return—added to the daily delight the best of these rugs can give is the almost certain knowledge that they will be increasing in value all the time.

These nomadic Baluch rug runners could be had for £50 or so ten years ago are now selling for between £700-£800 whereas more sumptuous things like silk Chinese in fine condition have risen from about £1,000 to £2,500 or £3,000.

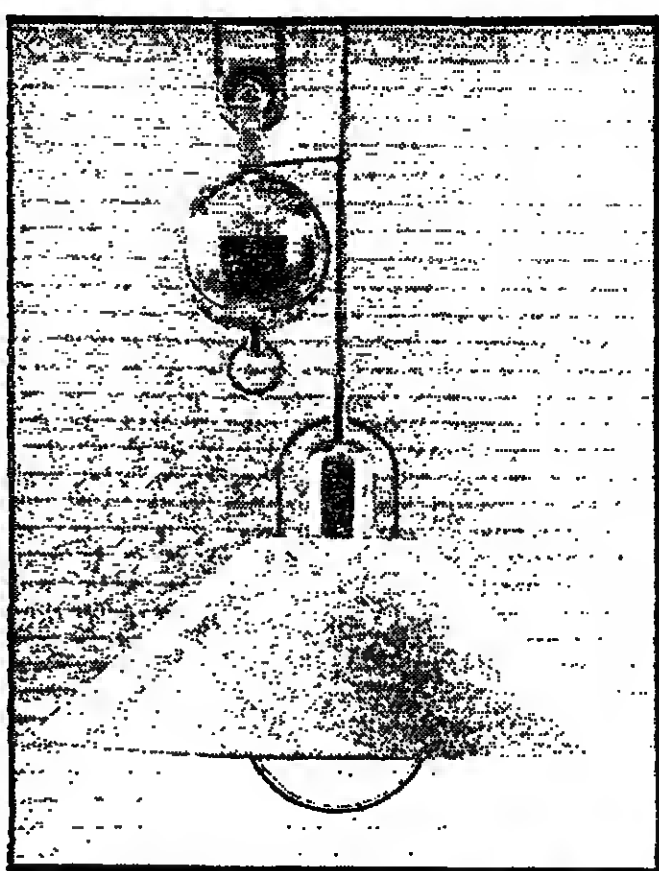
The supply of good, old hand-made rugs is clearly limited. Already many of the pieces circulating among dealers have been bought and resold several times. There are very few true antique rugs coming from countries like Persia and Afghanistan and though all the countries traditionally associated with fine, hand-made rug-making are still producing them, the modern versions are usually made in up-to-date commercial situations and lack all the charm and individuality of the antique, traditional versions.



Caroline Bosly in one of the great carpet warehouses in Highgate

John C. O'Mahony, 4, Holland Street, London W8 runs a small but delightful shop where his main specialities are very unusual and very good South Persian tribal rugs of the 18th and 19th century (he also has tribal pieces, unusual textiles including two pairs of very beautiful Renaissance opheys and a 17th-century Venetian Dalmate).

John O'Mahony has specialised in South Persian tribal rugs because he finds them among the most magical and sophisticated in terms of weave and design. On the whole prices of these pieces are not cheap but almost everything depends upon the condition—if worn they vary between £500 and £1,000 but if in superb condition they can cost from £1,500 to as much as £20,000 depending on condition and rarity. He buys almost exclusively from private customers, from runners who specialise in tracking down rugs all over the world and a little from other dealers. He will also hand-clean rugs (about £15 to £25 for a 6 ft by 4 ft rug, £50 for a 12 ft by 8 ft one). He also restores (prices depend upon what needs doing) and values (at a fee from £25 to £50 depending upon how much travel is involved).



IF IT'S Autumn, it's time to think about lighting. With admirable timing it is just about now that British Home Stores' latest offerings are going into the branches. Those who are familiar with its lighting departments will know that you need to seek out the larger stores and then use as selective and discerning an eye as possible and you will be rewarded by some admirable bargains.

Lurking among the tasselled lampshades and the frosted ceiling lights are some of the sleekest and best-priced lights on the market. Above is a metal and brass counter-balanced light, a perfect design for putting above a dining-table, a bedside table or kitchen table. Adjustable in height, it comes in beige and brass only, £29.99.



THE TWO mainstream themes in current lighting (apart, that is, from the severely minimalist school emerging from some of the glossiest Italian and Japanese design studios) are the soft and romantic, almost bistro-like, school (as evinced by the brass pendant, left) and the severely utilitarian, borrowing from the efficiency of the stage and the photographic studio (see above right).

For some time now mini versions of photographic lights have been fashionable—not only are they pleasing to look at with their obviously functional, simple design, but they also make very good desk lamps. Until now they have mainly been available at rather fashionable prices so it is good news that new British Home Stores has brought out its own version which sells for just £12.99. In red, white or black it is just 16 inches high.

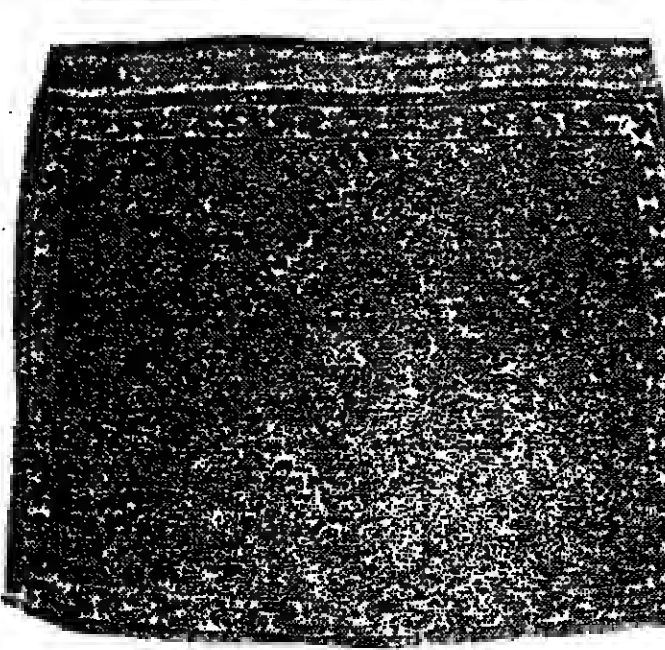
One dealer felt so strongly on the matter that she said to me: "I'm not sure that there'll be enough left in five years time for me even still to have a business." Another put it differently. "Rugs," he said, "are like a good picture, they're about colour, design and with what art they've all been put together. For £5,000 you wouldn't buy much of a picture nowadays but for that sum you could buy a truly splendid rug."

So the moral of the story is that if Oriental rugs of class and quality are what you like to buy then now, London is still the centre of the world Oriental carpet business and you can still find a greater and finer selection at lower prices than anywhere else in the world.

So where to go? Most dealers counsel earnestly against buying at auction ("much too tricky for those who don't know exactly what they're doing") and against buying in normal retail stores ("most of these are perfectly honest but the facts of economic life are such that they have to charge high mark-ups"). So, if you are looking for something different, unusual or just plain decorative, here is a list of just some of the ways, other than going into a department store, that you might do it.

small commission on each deal, which means you pay what the importer is charging plus her commission which means you pay roughly half the usual retail price. She likes to work to appointment, so ring first.

Olivia Wells (tel. 01-730 9511) offers a service that is particularly valuable for those who are short of time and do not want to flog around shops or warehouses themselves. She likes clients to contact her by telephone first and then she will visit them in their home, discuss what sort of a rug they are after and then set about finding it. Customers can come round with her looking if they want to or else she will bring a selection back to the house for them to try out in situ for a day or two. She gets her commission from the seller.



Caroline Bosly charges a

Simon and Jo Boosey, The Tun House, Whitwell, near Hitchin, Herts (tel. Whitwell 563), have a small gallery at The Tun House which is open on Wednesdays from 10.00 am to 5.00 pm and at any other time by appointment. Their customers may see a selection of rugs, mainly good quality, hard-wearing rugs that are compatible with the realities of country house living, such as dogs and children. Their main market is middle market, anything from a little tiny Afghan rug (bathsize) for about £35 to a fine silk Qum at about £2,500.

They, too, are brokers and can take you to the importers' stock at the warehouse at Highgate, they do repairs and they sell their own underlay. After much experimentation they have developed an underlay called Standfast which will hold a rug steady on a fitted carpet or on a polished floor. They sell it for £5 a linear metre but it is 11 metres wide—for mail order add an extra £1 per order. It should be cut about 1 inch smaller than the rug itself.

Amazda and Desmond North, The Orchard, Hale Street, East Peckham, Nr Tonbridge, Kent (tel. East Peckham 871353) are holding one of their twice-annual marquee sales of antique rugs, carpets, runners, Kelims and so on, on Saturday and Sunday, September 29 and 30 from 11 am to 6 pm. Many readers now make a regular expedition to these sales—their main charm seems to be the conviviality, the relaxed atmosphere (rugs are laid out all round the marquees and you can just stroll around looking). Rugs range from the once good but now really worn that are available at prices between £20 and £100. ("These," says Desmond North, "always sell like hot cakes") to the good rugs in good condition—but there is nothing truly expensive or very fine. More a middle of the range selection. A restorer is always there who will quote on the spot for repairs. Serious buyers should make a point of getting there before Saturday lunchtime.

Finally, some robust advice from Caroline Bosly. "Restoration and cleaning," she says, "is often easier than you think. Unless you use scissors or glue or soap you won't do much damage. Do use your initiative. If the rug needs mending ask yourself if you think you could mend it yourself. If an end is fraying buy some neutral-coloured button-thread, thread a needle and do a blanket stitch—you can thus save yourself about £20 an end (plus VAT). For wool carpets use wool (from the embroidery shop). If the carpet is old and faded put the wool on the woolsil to fade. When it comes to stains the easiest way to deal with it is right away—grab a bottle of plain soda water, pour it on wine, coffee, tea, etc, then put plain kitchen paper right out. For old stains she's a great believer in Dry Magic (available in most supermarkets, made by Airwick). Rub it well in the stain with your finger, keep the dog off it for an hour and then vacuum it.

Those North of the border might like to know that snow has its plus points, particularly if it is good and powdery. "Take your dirty rug," says Caroline, "put it outside to cool (so as not to melt the snow), then put it upside down on the snow and beat it gently (as you might a naughty two-year-old!) with a broom. Pick it up off the snow, shake it out and you will have



Karl hits town

IF you know anything at all about Karl Lagerfeld, you will know that he wears his hair in a little pony tail and that he has adopted the fan as his own personal "marque." Also, of course, you will know that he designs clothes.

New Londoners will have a chance to get to know plenty more about him. Last week saw the opening of his first-ever Karl Lagerfeld shop (at 173, New Bond Street, W1) which will sell the first collection of clothes under his own label.

Though other Karl Lagerfeld shops are planned for other capital cities, the respect that he and Lady Rendlesham (who owns and is managing director of the Saint Laurent Rive Gauche shops in London) have for each other's talents means that the London shop was the first to "gel." And a very elegant first it is, too—all battleship grey and sleek rails filled with the kind of desirable clothes that make what you're already wearing look as if it's come from the wrong side of town.

The shop itself has only been open a few days but even before the official opening Lagerfeld fans were finding their way in

Weight relief

IF you want to lose a little weight fast, whether to fit into a particular dress, appear at a spectacular party or to go on a beach holiday there is a new trouble-free three-day diet package to help you do just that.

It's called The Willowdale Diet Plan and for £6.95 you get everything you need for three meals a day for three days. You don't even need to buy your own Ryvita or Nescafe—all is included, you just add water and do a small amount of cooking.

A constant weight-watcher in the office tried it out for me and though she only lost 12 lbs ("I think," she says despairingly, "I've just become immune to diets") she knows that other guinea pigs lost much more—usually between 3 and 7 lbs.

She points out very sensibly that it is only a good idea for the not so fat who just want to lose a few pounds on the odd occasion—it doesn't help the long-term weight-watcher who must learn to retrain old eating habits.

She found the food quite good, had no trouble sticking to it and only felt hungry on the first day. It was useful, too, because the lunch was easily eaten in the office.

Buy it from Harrods or Selfridges in London or for a list of local stockists write to: Willowdale Health Food Company, 157 Sutton Road, Southend-on-Sea, Essex.

in Next week's FT

- On the Management Page—**ERF**—Britains leading independent heavy truck maker has turned its approach to manufacturing on its head. John Griffiths explains why
- On the Technology Page—**How to cut costs of executive meetings—Video Conferencing** How British Rail brings some of its branch lines into the 20th Century
- On the Arts Page—**Max Loppert reviews Tannhaeuser/Covent Garden and Madam Butterfly/Coliseum**
- Michael Coveney reviews Stepping out/Duke of York's**
- The FT brings you the information you need—read it every working day.**
- No FT... no comment**

P.S. and it's sent with care!

Dear Mimi and Dad, We were very sorry to miss the celebration, but we've arranged to send you a "something special" so that you can see our new colours!

I know you'll love the selection we have made for you, it's a really lovely hamper and includes food and wine. Hamper Delivery available in the UK, of course, and their service is first-class.

All our love, Bob & Rita xxx

Top, one of the increasingly hard-to-find antique Chinese rugs available through Caroline Bosly for about £500

Above, a rare South Persian tribal piece from

ARTS

The play's the thing

BY MICHAEL COVENEY

Theatre in Britain: a Personal View by Harold Hobson. Phoenix Press, £19.50. 240 pages.

Automatic Vanderlife: Essays on Star Turns by John Lehr. Heinemann, £8.95. 241 pages.

Coco Chanel, according to Sir Harold Hobson, started the move to eliminate evening dress from the theatre and was thus the spiritual mother of George Devine and of all those in the world of entertainment who profess to have a social conscience.

The statement, like so many of Hobson's statements, is not as absurd as it first sounds. In this readable, infuriating, absorbing and rather touching valedictory, Hobson, who succeeded James Agate as Sunday Times drama critic in 1947 and retired in 1976, looks back over his life in the front stalls over even beyond to his youth in Sheffield. There he saw Sir John Martin-Harvey in The Scarlet Pimpernel and enjoyed them in the spirit to which they were offered: he now sees they prefigured the work of David Hare and Howard Brenton in the late 20th century.

It is this refusal to draw boundaries between firms and styles of theatre which makes Hobson such a rare and honest critic. As this volume proves, there is probably no other critic since Shaw—who, not even Tynan at his best—who so vividly conjures the world of a play and simultaneously

defines it in terms of his own valuable sensibilities.

His accounts of Ernest Hutchinson's The Right To Strike (one of many unknown and forgotten pieces here brought to pulsating life), of J. B. Priestley's Cornelius, of Ralph Richardson, his collar turned up, stepping into the unknown void at the end of Johnson Over Jordan, of the first night of Robert Ardrey's Thunder Rock as Franco collapsed in 1940, of Judy Campbell singing "A Nightingale Sang in Berkeley Square," of Barrault's Hamlet, of Danny Kaye, of listening to Fry's The Lady's Not For Burning and concluding that "the aura borealis" turned humourist—all of these instances, and more, testify to the objective and discriminating eye being guided by a rapt, generous, often ecstatic spirit.

It was once said, not without affection, that the characteristic sound of a Sunday morning was of Harold Hobson barking up the wrong tree. There have been few makers for his championships of the plays of Francis Warner (Hobson is disinclined to return to the fray on behalf of that phoney surrealist in this volume), and his persistent recommendation of William Douglas Home's plays is, to many people, ridiculous.

But Hobson was always unboastful and unmoved by others' surprise at his drum rolls. The point is that he wrote his drum rolls with style and relish, and did so uncoined by prevailing fashion and expectancy. Only a critic so independent and true

to his own instincts could have seen, as he saw, clearly and unequivocally, the true importance of the four plays that mark, in his phrase, "the most brilliant years of modern British drama."

Brecht's Mother Courage (performed by Joan Littlewood in 1955) Beckett's Waiting for Godot (1956) Osborne's Look Back in Anger (1956) and Pincher's The Birthday Party (1958).

Hobson mischievously wonders whether all the academics and serious critics who now celebrate Pincher and Beckett would have done so in the mid-1950s had they been there. There is nothing more tedious than a critic taking credit after the event; but Hobson does so with charm and lightness. It is only here that he begins to sound crabby and self-justifying.

The references to the political and historical world in the first half of the book are a little forced and tenuous, but driving through the Depression, the Blitz and the post-war social upheavals is a determination to see on the stage expressions of optimism, patriotism, heterosexual love and religious exultation. Hobson was often right to praise the plays for the wrong reason. But nobody else, one recalls, put up much of a fight for David Hare's Knuckle or Howard Brenton's Weapons of Happiness, let alone The

Birthday Party (Dartington). Tynan and Tynan all failed abysmally while Hobson mounted a white steed—settling on it back to front, admittedly—and charged).

Hobson refused to distinguish, quite rightly, between other people's notions of art and entertainment. The same is true of John Lehr, a persistently energetic American critic, biographer of his father Bert and of Joe Orton, who gives both Stephen Sondheim and Woody Allen a hard time for succumbing to artiness in their recent work. I disagree violently with most of his remarks on Sondheim and find Allen's progress through his own interior justified if it leads in the end to Broadway Danny Rose.

Critics are, by nature, absolutist. Lehr knows more about Sam Shepard than most people, but his essays are not already hopelessly out of date, it is also disappointingly chatty and thin. Lehr's style is relentless, prone to the hard-sell technique, and littered with recurring phrases like "corrupting an audience with pleasure," which do not very easily yield exact meaning.

Famous people are destroyed by their own fame, says Lehr, who is not yet famous enough to test his own theory. Meanwhile John Didion comes in for spiteful lambasting and Eugene O'Neill is accused of mythologising his pain for public delectation. Best here are the straightforward celebrations of Edna Stuebel and eongsmiths Leiber and Stoller.



Transfer for 'Boy Friend'

Jane Wellman and Simon Green in "The Boy Friend," which opened in the West End at the Albery Theatre on Thursday following a run at the Old Vic. To coincide with the West End production, the 30th anniversary production of Sandy Wilson's musical comedy, a new cast recording of "The Boy Friend" will be released.

Adventures in time

Radin 3 gave us a novelty on Sunday, two hours of musical melodrama. The Lorenzaccio Story is a version of de Musset's romance commissioned from Paul Thompson by the RSC about seven years ago. The addition of jolly modern dialogue and songs, full of false rhymes and commonplace phrases, that Stephen Oliver's music hardly justifies, means losses rather than gains, but the play remains a fetching melodrama with a moral for all of us.

We are in the 16th century. In his plan to free France from the tyranny of his Duke Alessandro, Lorenzaccio—"nasty little Lorenzo"—poses as a cowardly creature incapable of a plot, yet retains enough charm to stay on good terms with the Duke. First he persuades him to have his portrait done en deshabille, and steals his chain-mail waistcoat. Then he offers him a night with his sister, but stabs him before they come to the clinch. The results, alas, are not what he expected. Republicans and exiles duly rise up, but are put down with a medium machine-gun, by the sound of it. Then the Cardinal appoints another Medici Duke, the 17-year-old Cosimo, and things go on as they went on before.

The production was colourful, with a wealth of good acting—David Warner as Lorenzaccio, Nigel Devenport as the wealthy Filippo Strozzi, Ian Hogg as Alessandro, Andrew C. Wade as the Cardinal, Joe Melis as the disappointed tradesman Gordon Jones's singing of the innumerable titles of the Emperor Charles V provided pleasure but no dramatic progress, and teenage Cosimo was for some reason sung by a bass. I enjoyed it all, but felt that I shouldn't.

They have a new and better way of filling intervals on Radio 3 now, incidentally. They read extracts from some chosen works throughout the week—this past week, One Writer's Beginnings by Endora Welty, read by Elaine Padmore. The Two Cultures survive on this channel. C. P. Snow didn't take us beyond the second law of thermodynamics. I know what that is, but this week we had palaeontology and molecular biology, out of my sphere. I know no more about X-ray diffraction of proteins than I did before I heard Francis Crick in Just Gossiping on Thursday; but he made it sound so interesting that I went immediately, and unprofitably, to my encyclopaedia. Moreover, he made the study of whatever scientific question you choose

sound so enjoyable and so easy. He had been designing magnetic mines during the war, but turned to biology because he tended to chat about quasi-biological subjects in his conversation; and, as he said, "if you are really interested in it what you gossip about."

The discovery of the DNA double-helix was really the result of gossiping with James Watson as they punted on the river. "It's important to go around meeting people—people are part of the experiment." He belongs to a physicists' club in Los Angeles whose common interest isn't wide, or fishing, but that

RADIO

B. A. YOUNG

"cavities in DNA would act as a way of assembling amino acids for proteins." It may sound dull, but not when you hear Francis Crick.

Crick and Watson unearthed their double helix in a few days. Darwin spent 10 years cataloguing barnacles before he announced his ideas of natural selection. Evolution is still a matter for argument, especially since palaeontologists and others have lit on "punctuated equilibrium." Colin Tudge took Professor Stephen Jay Gould through a Radio 3 programme on Evolving Ideas, from which I learnt, among more important things, that we shan't suffer a cometary shower such as the one that killed off the dinosaurs for another 18m years.

Time and the Conways (Radio 4, Saturday) is the "time play" in which Priestley mentions Dunne's theory of time, but without going into it. This always seems to me a machine-made play; in Act 1 the future of the Conways is foretold, in Act 2 we're shown that it's quite different, in Act 3 we go back to the days of Act 1, knowing what we now know. Good entertainment, though, and Caroline Smith's direction ensured that the age-changes in the characters were convincingly made. Zena Walker played nasty Mrs Conway, and Eve Shickley sang her songs for very prettily. More about time next week.

A welcome repeat on Saturday afternoon of John Mortimer's Mr Luby's Fear of Heaven, with John Gielgud perched about his unexpected entry into the next world. The elaborate and gratifying direction was by John Tydemann.

New lure for sponsors

BY ANTONY THORNCROFT

The Government is not famous for its financial handouts but yesterday the first applications arrived at the Chester Street headquarters of the Association for Business Sponsorship of the Arts (ABSA) seeking a state subsidy.

The Minister for the Arts, Lord Gower, is also a Treasury minister and he has enthusiastically followed the official line that the arts in the UK would be best served if it had two paymasters, the Arts Council (which this year is distributing around £100m of state money) and commercial and private sponsors. To encourage more spending on the arts by business Lord Gower has come up with the Business Sponsorship Incentive Scheme through which the Government will match new arts sponsorship in a proportion of 25 per cent state aid to 75 per cent corporate cash. Hence the letters to ABSA inquiring after Government support.

The scheme starts on October 1 with £500,000 to be deployed in the first six months and then £1m annually for two years. It will be administered by ABSA and is the biggest thing ever to happen to arts sponsorship in the UK. The association employed two people a year ago; now there are nine on the payroll, including three salesmen who will spend their time visiting companies and trying to get them to help the arts, with the prospect of Government aid as a carrot.

This year around £15m will be spent on arts sponsorship

so, if the idea works, at least £1m of new money should appear in the next year. There is no doubt that ABSA will have many more applications than it will be able to satisfy but its director, Mr Colin Tweedie, hopes to put up his first nominations for Lord Gower's approval by November and there will be more announcements before Christmas.

There are limits on the subsidy available—a minimum of £2,500 Government aid to match £7,500 from a company, up to a maximum of £25,000 if £75,000 is offered. One criticism is that the lower limit still excludes the majority of arts sponsors—companies giving £1,000 or less

to some local arts venture.

A more potent problem is to ensure that the big sponsors of the arts do not grab all the cash and regard it as an opportunity to give less. The association's task is to confirm that the arts venture being sponsored is a new initiative; that the money is spent around the country; that it goes to the arts that are currently under-supported (there is little chance that opera, ballet and London music will be beneficiaries); and that new companies will be encouraged even if it is at the expense of long-term backers. Ideally, in November, the Minister will be able to announce that a worthy but

struggling arts organisation in an economically poor part of the country is being aided by a company previously little known for its arts patronage.

Colin Tweedie admits that the scheme may need some adjustments. Already it has been changed to allow companies to apply every year rather than every three years. He will also have to watch out for companies who want to use the Government cash for entertainment (it is reckoned that if you added in the cost of advertising and entertainment to direct arts sponsorship the total corporate expenditure would double in £30m a year), or who, while channelling

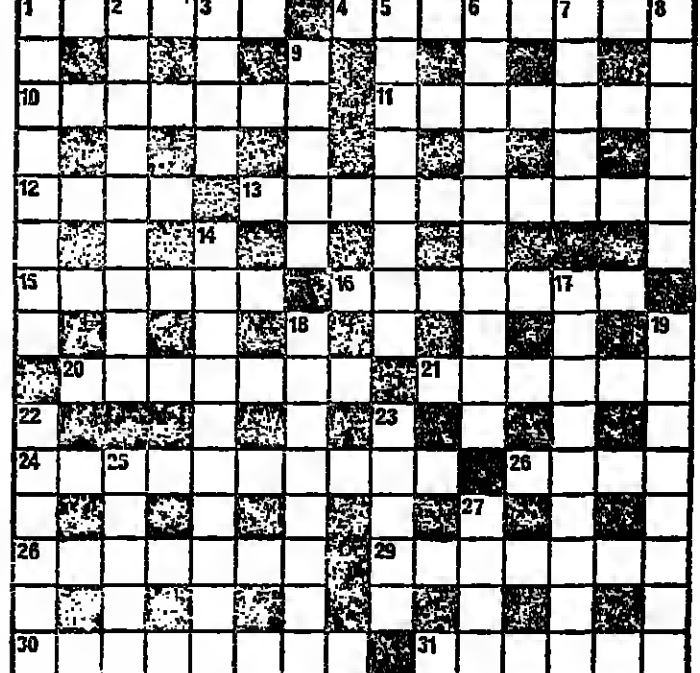
money eligible for a subsidy through a subsidiary company, cut back on their existing arts sponsorships.

Tweedie sees this new initiative as a spur. His basic proposition is that arts sponsorship is good for a company, both commercially and philanthropically, but that those who have been sitting on the sidelines may be coaxed into play by the Government's sweetener. The tax advantages of sponsoring the arts (it is accepted as a business expense) remain, but undoubtedly the Government's acceptance of the scheme make it very unlikely that any new tax changes to encourage public or private arts patronage will now be forthcoming. It remains to be seen how many fat mackerel will be caught by the Government's sprat.

Robson about her spiritual experiences and those of the characters in her books.

7.30 Union World. 8.00 The Sonnets of William Shakespeare. 8.15 Ladybirds—Eartha Kitt. 9.00 Callan. 10.00 A Frame with Davis. 10.25 "Dark Waters," starring Marie O'Heron and Fraochot Tone and Thomas Mitchell. 11.20 A Work in Progress. SC4 WALES. 8.25 am Breakfast Programme. 9.25 Cartoon Time. 9.30 Fraggle Rock. 10.00 The Saturday Starship. 11.20 Mister T. 11.45 Catwalk. 12.15 pm World of Sport: 12.20 Motor Cycling—Wrangler/Which Bike? Yamaha Pro-Am Final from Donnington; 12.35 Snooker—Player of the Year Award from Redwood Lodge Country Club, Bristol; 12.45 News; 12.50 On the Ball; 1.15 Speedway—World League Track Championship from Rerheim, W. Germany; 1.40 Racing from Ayr; 1.55 Rallying—Rothmans Manx International Rally; 2.10 Racing from Ayr; 2.25 Motor Cycling from Donnington; 2.45 Racing from Ayr; 3.00 Motor Cycling from Donnington; 3.30 World Championship Snooker; 3.45 Half-time Soccer Round-up; 4.00 Wrestling; 4.45 Results.

F.T. CROSSWORD PUZZLE No. 5,524



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4A 3DF. Winners and solutions will be gleaned next Saturday.

Name: _____ Address: _____

- ACROSS
1 The others are in the river quickly (6)
4 Not easy to grasp by sailors on land (5)
10 It can start burning but that's not so serious (7)
11 Make up pet term for the Devil (7)
12 Space to turn round and berth (4)
13 Hair dressers? (10)
15 Told untruth about the street being in the directory (6)
16 Gorges and debauches (7)
20 I am affected by advertisement for stout (7)
21 It could be summer weather (6)
24 Device used by guide to find way in the dark? (5-5)
26 Refuse permission to examine the ring (4)
28 They sing descent at any performance which includes an oratorio (7)
29 Having such an estate would make me a lord (7)
30 Projected measure is in writing (8)
21 It's rotten to turn up and then refuse to go round (8)
DOWN
1 A coffin on parade represents the situation of the London clubs (4, 4)

Indicates programme in black and white

BBC 1

- 6.20-8.25 am Open University. 8.40 The Saturday Picture Show. 11.15 The Goons in "Down Among the Z-men." 12.27 pm Weather. 12.30 Grandstand, including 12.55 News Summary; Football Focus: Evening from Galloway Park; The Croft Original Horse Trials from the home of Princess Anne and Captain Mark Phillips; Ice Hockey, with Canada, Russia, Czechoslovakia, Sweden, West Germany and America competing in the Canada Cup; Racing from Newbury at 2.0, 2.30, 3.00 and 3.30; 4.40 Final Score. 5.05 News. 5.15 Regional Variations. 5.20 The Tripods. 5.45 The Noel Edmunds Late Late Breakfast Show. 6.35 Bob's Full House. 7.10 Juliet Bravo. 8.00 The Paul Daniels Magic Show. 8.40 Dynasty. 9.25 Wagtails. 10.15 News and Sport. 10.30 Match of the Day. 11.20 "Made," starring Carol White. REGIONAL VARIATIONS: Wales—8.15-8.20 pm Sports news Wales. Scotland—12.30-5.05 pm Grandstand, including 12.55 News Summary and Snooker; The Lams Supreme Scottish Masters—coverage of this afternoon's first semi-final. 5.15-8.20 Scoreboard. 10.20-11.20 Sportsweek: Snooker; The Lams Supreme Scottish Masters—coverage of this afternoon's first semi-final. 5.15-5.20 pm London—Sport; South West (Plymouth)—Spotlight Sport and News; All Other English Regions—Sport, Regional News.

BBC 2

- 7.15 am Open University. 3.10 pm Saturday Cinema: Jennifer—A Woman's Story, starring Elizabeth Taylor and Bradford Dillman. 4.45 The Sky At Night. 5.00 Championship Darts. 6.40 News and Sport. 6.55 Leeds International Piano Competition. The Finals: part 2. From Leeds Town Hall. Introduced by Richard Baker, with guidance and commentary from Andre Previn (simultaneous broadcast with Radio 3).

CHANNEL 4

- 2.00 pm Listening Eye. 2.25 "Edison The Man," starring Spencer Tracy as the famous American inventor, Thomas Alva Edison. 4.25 "The Red Balloon." 6.00 Dragger Man. 6.50 Rock 'n' America. 7.00 News Summary followed by Revelations—Tonight: Iris Murdoch talks to Eric

REGIONS

- IA Regions as London except at the following times: ANGLIA. 11.45 am The Smurfs. 12.16 pm At the End of the Day. CENTRAL. 9.25 am What's Packed? 9.35 Mister T. 11.20 London Calling. 12.15 pm The Challenger. GRANADA. 9.25 am Mister T. 11.20 Chips. 12.15 pm Lights, Camera, Action! 12.13 pm ITV News. HTV. 9.25 am The Wonderful Stories of Professor Kitz. 9.35 Mister T. 11.20 Saturday. Lights, Camera, Action! 12.13 pm ITV News. TVS. 9.25 am Andy Doggie. 11.48 Jobber-Jobber. 12.13 pm TVS News. 12.15 pm Amper. TYNE TEES. 9.25 am Morning Glory. 9.58 Young Lookaround. 11.50 News. 12.13 pm North East News. 5.05 North East News. 6.10 The Kranks Klub. 12.15 am Clive Jenson meets Roman Posenki. 1.16 Post's Corner. ULSTER. 9.25 am Wild World of Animals. 12.43 pm Luncheon News. 4.55 Sports Results. 5.05 Ulster News. 10.12 Ulster News. 12.10 am News at Six. YORKSHIRE. 9.25 am Regional Weather Forecast. 11.20 Bantlester Galecia. 12.15 pm Teachers Only. BBC RADIO (6) — Also VHF Stereo. 10.00 am Dave Lee Travis. 1.00 pm My Top Ten (S). 2.00 Paul Gambaccini with America's hits (S). 4.00 Saturday Live (S). 6.30 in Concert (S). 7.30 Jean King. 9.00-12.00 Gala Peach. BBC RADIO 2. 3.05 pm David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Mooney's Monday Magazine. 1.20 Sport on 2. Football Preview. Racing from Newbury at 2.30, 3.00 and 3.30; Rugby Union: Reports on the first round of the John Player Cup; Snooker: Coverage of the Lams Supreme Scottish Masters in Glasgow; Sports Report. 5.05 Classified football results and 5.50 Classified Racing Results. 6.00 Folk on 2. 7.00 Three in a Row. 7.30 Gala Night from the Winner Gardens, Margate (S). 8.20-8.40 Interval Talk. 9.30 Big Game Special (S). 10.02 Sports Desk. 10.05 Saturday Handicaps (S). 11.00 Ken Bruce with a selection of music for night listening pleasure (S). 1.00 am Jean Chaille presents Nightlife (S). 3.00-4.00 Wally Whymon introduces Country Concert (S). BBC RADIO 3. 8.00 am News. 8.55 Record Review (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Relaxation (S). 11.20 Moscow Virtual, concert with Russian soloists, recorded 21-22, 1983, West. Edinburgh

Company Notices

ALEXANDER FUND
Société Anonyme d'Investissement
37, rue Notre-Dame, Luxembourg
R.C. Luxembourg B 7635
Notice of Annual General Meeting
Notice is hereby given that the Annual General Meeting of the Shareholders of Alexander Fund, a société anonyme organized under the laws of the Grand-Duchy of Luxembourg (the "Fund"), will be held at the offices of Kredietbank S.A., Luxembourg, 43, Boulevard Royal, Luxembourg, at 11.00 am, on October 2nd, 1984, specifically for the following purposes:
1. Approval of the reports of the Board of Directors and of the Statutory Auditor.
2. Approval of the balance sheet and profit and loss account as at June 30th, 1984.
3. Directors fees.
4. Discharge to the Directors and the Statutory Auditor in respect of the fiscal year ended June 30th, 1984.
5. Election of Directors and a Statutory Auditor.
6. Conversion of the company into a "Société d'Investissement à capital variable" according to the terms of chapter II of the law of 25 August 1983 relating to collective investment undertakings.
7. Change of the company's name to "Lloyds International Smaller Companies Fund".
8. Extension of the duration of the company for a term of 30 years with effect October 2nd 1984.
9. Change of the company's fiscal year end which now will start on 1st January 1984 and finish on 31 December with the exception that the current fiscal year will finish on 31 December 1984.
10. Change of the date of the Annual General Meeting to the third Tuesday of June at 11.00 am.
11. Amendments of the company's articles of incorporation according to chapter II of the law of August 25, 1983 on collective investment undertakings and to the above tasks resolutions.
A copy of the new Articles of Incorporation may be inspected at the registered office of the company upon request.
Approval of items 7, 8, 9, 10 and 11 of the above Agenda will require a quorum of one-half of the shares issued and outstanding and the affirmative vote of two-thirds of the shares present or represented at the Meeting. Approval of item 6 only needs an affirmative vote of two-thirds of the shares present or represented at the Meeting.
Approval of the remaining items of the Agenda will require a quorum and the affirmative vote of a majority of the shares present or represented at the Meeting.
Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any Meeting by proxy.
By order of the Board of Directors

Art Galleries

Art Gallery, Winchester Road, Southampton. Sculpture—Maquette to Monumental. Paintings by Richard Evers, OBE, RA. Also Paintings by the Art Gallery at Festival Gallery, 10 Colindale Avenue, London NW9 5EQ. Tel: 01-835-2200. Open 11-5. Sun. 2-6. Closed Oct. 7.

Educational

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LEISURE

Lucia van der Post on Liberty's revival Britain's very own Disneyland

IT'S BEEN quite a week for Liberty, that grand old institution once aptly described as the Earl Grey of the shopping scene...



there is the converting and Wholesale side which takes in the dress and furnishing fabrics, the Liberty presents and ready-to-wear ventures as well as Liberty of London Prints.

However, whatever it is that takes a store into the folklore of a country, Liberty has in abundance. It's not its sheer size (Harrods is bigger), or its air of grande luxe (Fortnum and Mason is more "luxurious")...

boom had lulled the whole of the West End into a belief that happy times had come to stay. But as Webbin put it: "We were kidding ourselves... we all thought that tourists only accounted for some 25 per cent of our business..."

For Bodmin Moor, one sets out from the more comfortable country below the moor, with bamlets with names like Merry Meeting, and occasional villages with light, spacious, dreaming churches whose slate monuments record those who died in mining disasters...

Circles in stone around the Moor

ARCHAEOLOGY

GERALD CADOGAN

EQUIPPED with the 1:50,000 Ordnance maps and an inherited Peavner's Cornwall in its 1951 first edition, I have been hunting for ancient sites on Bodmin Moor.

The best way of getting an idea of what a place was like in ancient times is to walk round it now. Bumps and hollows become abandoned field systems, or roads, or drier up sources of water, or quarries.

Some very ordinary cottages appear to have the Quoits in their back gardens and, being so large and so old, and both simple and sophisticated, quite dominates them.

so large and so old, and both simple and sophisticated, quite dominates them.

The Hurlers, one and a half miles away near the hamlet of Minions and one mile north-west of the TV masts on Caradon Hill, are a good place to start for the moor itself.

Nor do we know for certain how they and other stone circles were used. There is a standing joke in archaeology that if one does not know what something was built for, then it must have had a ritual use.

All around the Hurlers are the remains of the copper boom, which brought more prosperity than the tin, until competition from Arizona and Montana killed it.



The Rillaton cup: Gold from the Bronze Age

I did not go to Stowe's Hill directly from the Hurlers, and so missed the Rillaton harrow between the two. It has produced a gold cup (in the British Museum) that is one of the finest pieces of the Early Bronze Age of England.

The Rillaton cup is just over 10cm high. Its body is ribbed, and it is a gold version of the distinctive shape of pottery of the time known to archaeologists as the beaker. It has often been thought to have links with the gold cups of early Mycenaean Greece (c. 1600-1400 BC); but there is no firm link other than that gold is the medium.

In terms of society, however, there is a parallel. The Rillaton harrow is an outlier of a group of rich Early Bronze Age burials round Wessex, known as the Wessex Culture.

which shows how they became — and stayed — chiefs. They also needed what Cornwall can supply for a Bronze Age—copper and the essential alloy of tin—which probably explain how the cup reached Rillaton.

I missed the Rillaton harrow because I had gone north-west to the stone circle on Craddock Moor, before tackling Stowe's Hill. Its 16-18 stones are fallen and have not been re-erected. It makes it more difficult to find, but the pleasure of discovery is all the greater.

These circles on Bodmin Moor, and the 900-odd other stone circles in the British Isles, give a powerful sense of what life was like for early man. We have no idea of the rituals on the bleak moor, but it is easy to see them as unaccompanied symbols of taming it and a bleak nature.

Mystery of the mushroom

COUNTRY NOTES

JOHN CHERRINGTON

THE combination of a warm dry summer followed by a short spell of rain seems to stimulate the mushrooms in a way in which a wet summer never does.

There are other obstacles to a full basket. The sheep which do not eat mushrooms seem to delight in breaking them down and then there are the birds, usually rooks which peck them to pieces. I guess they are after the maggots which are to be found in them, sometimes, even in very fresh ones.

This brings me to question why otherwise inviolable people will walk all over the countryside picking other peoples' fruits of the earth as if it were their God given right. It is not only mushrooms — blackberries, too, are as good an excuse for leaving gates open and letting their dogs run around. But I do not get as annoyed with the berry pickers as I do with the mushroomers.

There was a time when I earned quite a bit of money selling mushrooms: in fact I employed some of the village ladies to pick them and sent them to the London markets. But that was before the last war when most of the land was in grass.



a lawyer that, if I could prove to a magistrate that I had persuaded the mushrooms to grow by some act of husbandry, taking them was stealing.

The accepted way of persuading mushrooms to grow one field is to scatter the stalks and skins of mushrooms around and, if you want to be a bit technical about it, to spread a little potash or horse dung as well. You can then put a notice up saying cultivated mushrooms and have every right to stop people having a go at them.

I very much doubt if my assiduous sowing of the field had anything to do with the 1976 crop. It was due to plant growth habits which are little understood even in scientific circles or the fungus would not be the comparative rarity it is today.

I only eat the one variety, the common mushroom, and am deeply suspicious of all the others. There are enthusiasts who will go around identifying doubtful fungi with the help of a handbook and, if pronounced safe, devour them. I learnt my lesson years ago. Travelling in France at mushroom time I ate the exquisite omelette the landlord with the mushrooms.

Masters of art nouveau glass

COLLECTING JUNE FIELD

"I HAVE reproduced the glistening assurance in certain quarries by throwing cold water on to the vase during its creation," wrote master glass designer Emil Gallé (1846-1904).

This new book needs studying in conjunction with Emil Gallé (Academy Editions 1978), by a Sotheby expert on applied arts from 1880, Philippe Garnier, who documents the life style of the essentially private character who died of leukaemia eight years ago next week.

Pertinent too is The History of Glass, edited by Dan Klein and Ward Lloyd, profusely illustrated in colour, to be published on Monday by Orbis Books at £25. It is aimed at both the amateur enthusiast and the serious collector.

Aspirations as early as the 1860s, at a time when its potential was quite unrealised," remark Alistair Duncan and Georges de Bartha in Glass by Gallé (Thames and Hudson, £30).

The excellent catalogue by Penny Johnson, which includes some useful potted biographies of glass, ceramic, metalwork and other decorative art designers, is £2.50 at the exhibition featuring the Anderson Collection which will open at the Geoffrey Museum, Kingsland Road, London, E2, October 19 to December 30.

Until the late 1950s prices of art nouveau glass were unrespectable; one Brussels dealer, for example, was reported as drawing a circle on the floor in his gallery and charging a set amount for all the Gallé glassware that a customer could cram into it!

But the later pieces of Gallé Muller Frères, Daum, de Vez (pseudonym for Varreux), and even Tiffany, in Sotheby's Decorative Arts sale in London on Friday, are in the £125 to £400 range. Only a fine carved cameo glass "blow out" vase (c1900 by Daum) is said to be likely to go to £2,000.

There is some later Lalique, too, in the Sotheby London sale (wall shades, perfume bottles and pendants), in the £80-£500 range. The catalogue, compiled by Philippe Garnier and Nicola Redway, is £4.

Good glass is also featured in Art Nouveau—The Anderson Collection, at the Salisbury Centre for Visual Arts at the University of East Anglia, given to them in 1973 by Sir Colin and Lady Anderson. They were among the first to collect art nouveau in this country; they chose pieces according to style rather than value, including glassware by Daum, Tiffany and Gallé, as well as commercial products by unknown designers.

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A reliable but unexciting range

MARKS & SPENCER, who have been selling wine for only 11 years, all strictly limited shelf space—less in some stores than others. Their range is reliable but limited, and inevitably somewhat unexciting.

HIGH STREET WINE EDWARD PENNING-ROWSELL

larily priced Hock, that lacks definition but may appeal to those with a sweeter tooth. Liebfraumilch Rheingrafen N.V. (£2.55 a litre). On the assumption that Liebfraumilch is an essential component of every chainstore and supermarket wine list, this one, though with little bouquet, has more quality than some, is not too sweet and has a certain freshness.

well-developed, masking its 13 degrees. Château de Sales 1980 (£8.50). This second-level Pomerol of some distinction comes from the highly reputable J. P. Monnet stable. From order, light vintage in which some good wines were made, this is distinctly light in colour and is for drinking now and very agreeable too.

WHITE Muscadet 1983 (£2.15). A crisp, fresh wine with more flavour than many, and very good value. Blanc de Blanc NV (£1.99). This anonymous vin de table in fact comes from the Loire, and, labelled medium-dry, is for those who like it sweet, and is not medium-sweet, like so many. It has a certain firmness that prevents it from being flabby. Excellent value for a modest wine.

French Pinot Red N.V. (£2.99 a litre). This is a 12-degree Côtes du Roussillon A.C. wine, with a big purple colour, a strong bouquet, and a big tough flavour for swallowing down with strong-tasting food. Rosmarin N.V. (£2.99 a litre). This distinctly pale Rioja has a nice aroma, and an oak flavour. Easy to drink, fairly soft and light on the taste, although a 12-degree wine. Châteauneuf-du-Pape 1981 (£4.75). Light in colour, oak and surprisingly forward for a three-year-old Châteauneuf, it is

Black's pawns sacrifice for development is a good practical try for players seeking an best answer to 1.P-Q4. The best answer is the quiet 4.N-KB3, B-B4, 5.P-Q3, N-QB3, 6.P-R3, P-Q7, 7.P-QN3 when White's bishop at QN2 is effective on the diagonal. The more obvious 4.P-K4, aiming at a pawn centre, allows Black counterplay with knights and bishop on the dark squares.

player who receives a mistimed draw proposal can ask his opponent to make a move first, then accept or decline the offer after seeing the move. A strange game from Australia highlights the risk of pressing a move which occurs at the time of a draw offer. White: A Stern. Black: R. Lundquist. Budapest Defence (New South Wales championship, 1983). 1 P-Q4, N-KB3; 2 P-QB4, P-K4; 3 P-P3, N-N5; 4 P-KP.

Black looked hard, suddenly smiled, and played... 28...QxP cb. A stumped White looked at 29 KxQ, R-N6 ch; 30 K-R3, R-R1 ch; 31 B-R8, RxB mate, and promptly resigned. Black took hands, signed the scoresheet, then pointed out that White could have countered QxP ch by accepting the draw offer. White had the last laugh—he won the championship.

From a game in Cuba, 1983. If Black (to play) wins material by 1...BxR; 2 QxB, White has counter-chances. Can you find a better plan for Black?

White mates in three moves, against any defence (by C. E. Moran). Not easy, despite Black's diminished force. Earlier solvers have called the problem "very difficult" or "admitted to

BRIDGE

E. P. C. COTTER

IN A duplicate pairs which took place at Roehampton Club two weeks ago, there were a number of very interesting hands, and I pass two of them on to you. Here is the first:

West dealt with North-South vulnerable and bid one diamond, my partner interposed a double, which was completely unjustified. East raised to two diamonds, and I jumped straight to six clubs — could I know that North had doubled on tram tickets? West said double — another bid which had nothing to recommend it — and all passed.

Five clubs was bid at other tables, and 12 tricks were made when West led the Ace of spades. Against me West led the diamond four, dummy threw a heart, and I was pleasantly surprised to win the trick with my nine. Drawing trumps in two rounds, I cashed Ace, King of diamonds, discarding two more hearts, came to hand by ruffing a spade, ruffed a diamond on the table, returned to hand with another spade ruff, discarding dummy's last heart on the ten of diamonds, and claimed 13 tricks — plus 1,740.

FRIARWOOD LIMITED Champagne Laurent Perrier. The House of Laurent-Perrier has a worldwide reputation for its top quality champagne. Traditional methods and meticulous care ensure elegant, delicate wines with a distinguished bouquet of great character.

CHESS LEONARD BARDEN. MANY amateur chessplayers take part in competitions under the self-imposed handicap of being vague or misinformed about important rules. Laws are published by the International Chess Federation (FIDE) and administered in this country by the BCF together with national associations for Scotland, Wales and Ireland.

Chess problem: Black to play. White: A Stern. Black: R. Lundquist. Budapest Defence (New South Wales championship, 1983). 1 P-Q4, N-KB3; 2 P-QB4, P-K4; 3 P-P3, N-N5; 4 P-KP.

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Saturday September 22 1984

Immovable objects

REALITY IS supposed to be an irresistible force. That, at any rate, is the basic thought behind the policies of both Mrs Thatcher and of President Reagan. At the moment, however, two important realities are being confronted by two apparently immovable objects—the President himself, and Mr Arthur Scargill. The apparent reality is that you cannot bully the outside world into giving an endless free lunch, whether it be finance for excess U.S. consumption, or sinking capital into bottomless pits. Both confront the outside world with a rude gesture.

Dollar fever
Dollar fever, which we suggested was becoming a bit irrational last week, has become a stage more irrational since. During the week we learnt that there has been a comprehensible logic at work: as long as the U.S. boom is sustained, interest rates will remain high, the demand for credit insistent, and profits will flow.

Whether one supposes that a strong dollar reflects confidence in the U.S. economic performance, or a simple desire to enjoy a high return, high growth is good for the dollar. During the week we learnt that growth has fallen sharply, but the dollar did not relax, it rose. The market seems to have reached a denouement where it marks the dollar up or any news whatever—quite a usual symptom of a speculative climax.

That is not all the markets have shrugged off. One reality which has broken through to both the Fed and the Administration is that while a strong economy is good for the dollar, a strong dollar has now risen to the point where it is doing no good at all to the U.S. economy.

The squeeze on industrial profits is still a cloud little bigger than a man's hand; but the squeeze on the farm sector is a grimly accomplished fact. Banks are finding themselves forced to foreclose on farm mortgages; there is no more non-performing asset than a stretch of land growing weeds, and the otherwise triumphant Reagan election campaign is encountering what even his aides call "difficulties" in the normally sabbidly Republican farm belt. The President's own friends in the vineyards of California are having a bad time too. In markets like these a strong dollar simply means a cut in income.

The Fed, conscious of these facts, not to mention the busy-

ragging it can expect from other central banks during the IMF meeting in Washington next week—has therefore been trying quite expertly to push interest rates down. Lower growth figures will simply encourage the Fed to try harder. Such moves may stimulate international demand for American bonds, whose prices will rise if the Fed is successful; but exposed cash positions in the dollar make much less sense.

Finally, too, at least one other central bank has decided to do something more than sit on the sidelines. The Bundesbank yesterday sold a reported \$500m to help to satisfy speculative demand.

That sounds a lot of money, and did the trick yesterday, bringing the price of the dollar down sharply; but this was achieved by good timing in a thin market, not weight. The sum is only a quarter of the sum the Bundesbank bought one climactic morning in 1971—not much more than a tenth, if you adjust for inflation. To put it another way, this is about the sum which the U.S. economy is feeding into the currency markets every working day by way of the merchandise deficit.

The question for next week will be whether there is any follow-through—or any talk of the more drastic counter-measures, such as capital controls or interest equalisation taxes, which are sitting in the contingency pigeon-hole in Brussels. If the U.S. is to be made to face the true reality and get its economy into balance, it may take determined action by the outside world.

Scargill's licence
Mr Scargill's licence to defy the tide also depends on the outside world—or rather, one bit of it. The reason why the Government has been so reluctant to intervene in the pit dispute as in the currency markets is at bottom the same; it yards in but the latest sign of what may be a bonanza ahead, is Jim Grice, a full, burly, silver-haired 54-year-old with long experience in offshore construction.

FROM the bustling Scott Lithgow yard, watched back from near extinction six months ago, you can gaze across the Clyde to where the hills of Argyll rise gently to the North under the subdued autumn sunlight.

It does not look like a place which nearly became a byword for industrial disaster, when the bitter winter weather of early 1984 added another layer of depression to that caused by the threat of closure.

A massive oil rig nears completion in one part of the yard. Nearby, a new naval vessel, built by Scott Lithgow, is berthed for its first service. Further along the site, the big sections of Ocean Alliance, the rig whose lengthy delays nearly spelled the yard's doom.

The men clambering over the rig which is almost finished—British Petroleum's Sea Explorer—wear orange boiler suits and white safety helmets with bright blue emblems.

Not many and stained, the workshirts were brand new six months ago. So were the helmets and the tool-kits which each man received instead of having each day to draw equipment from the stores. They were issued by Trafalgar House, which bought the yard for a mere £12m from British Shipbuilders after it reached the end of the road with Scott Lithgow, the once proud company nationalised in 1977.

The bang-dog spirit which pervaded the yard when closure seemed almost inevitable has gone, even though there are few illusions about the back-breaking task that lies ahead.

"We can whistle again," says Mr Bart Monaghan, chairman of the shop stewards' committee. The yard has a future, wages have risen, and the new management is tackling the complex offshore contracts in a way more suited to the rigorous demands of the oil companies' rig designers, and certifying authorities.

Just as important, the shift and flexibility agreements long sought by state-owned BS have been speedily negotiated with Trafalgar. Among the work-

force, "there's a sense of relief," says Donnan MacNeil, secretary of the stewards' committee and the main spokesman. "We've been slugged and blackened for so long." Thus the bright green 225-ton gantry crane, which bestrides the yard and so nearly became a symbol of industrial despair, now looms over a place which seems determined to make the best of its new lease of life.



Scott Lithgow's Jim Grice: "There was only one way to go and that was up"

How Scott Lithgow is coming back from the dead

By Andrew Fisher, Shipping Correspondent

The sale represented the failure of British Shipbuilders' efforts to push into offshore construction. Losses at the yard had been heavy and both BP and Britoil, for which the Ocean Alliance is being built, cancelled their contracts. (Work on them has since resumed.) Had Trafalgar House not come in, Scott Lithgow would have closed.

So how can Trafalgar House possibly succeed where BS failed? After all, the workforce is the same and so is much of the management. Is there a hidden ingredient which the former owners somehow could not find?

Mrs Thatcher, the Prime Minister, would like to believe that privatisation is the elixir which will turn the yard round and give a shining example to the rest of industry. In this sense, Scott Lithgow can be seen as a test case for privatisation.

Certainly, the freeing of the yard from the bureaucratic structure of a nationalised industry is one reason for the yard's improved morale. But it is also true that it will stand or fall by its ability to harness management experience in offshore work, and to keep the newly reorganised workforce motivated.

Scott Lithgow aims to have delivered the BP rig, which goes on sea trials next month. The Britoil rig, two years behind schedule, is now intended for firm delivery in April 1986.

The controls and recording on quality and progress of rig work have been tightened up considerably. Mr Grice says 25,000 job cards have been made up for the Britoil rig. Each one represents 250 hours of work and is designed to make crystal clear to the production worker what has to be done.

"There is a lot more discipline and control in the place," he adds. The basic labour force is now 2,800 after 2,400 people took redundancy in the year up to the sale. Another 1,800 men are employed as sub-contract labour, mainly to finish the BP rig.

This is something which the unions would never have allowed previously. But it is written into the little blue 42-page booklet containing the agreement between the yard and its hourly-paid workers. More welders are also being trained to the high standards needed for offshore work. The yard has 300 welders. But fewer than 10 were trained to the so-called 6G standard which is high enough for most offshore work. Now, the number is 80 and the eventual aim is over 200. Of the sub-contract men, over 250 are trained to this standard.

buying the yard this year. But the Navy was pleased with the yard's submarine work and seems keen that it should be revived. Scott Lithgow built its first submarine 70 years ago and still has nearly 500 men with submarine experience.

But it is the offshore record that will be most keenly studied by the commercial world. Hence the £5m training programme, the planned £5m investment in new computers and the drastic change in working procedures to

There are hopes that this week's £230m worth of new North Sea orders for UK yards indicates a bonanza ahead

Lithgow is tendering for the £20m refit of the Otter submarine, which it built for the Royal Navy. It will also bid to build some of the new Upholder class of non-nuclear submarines, as well as other sophisticated naval ships.

Mr Kooymans reckons that the quality of the work has improved dramatically since Trafalgar took over. "Our workers have got more confidence in their capability," he says.

Major strides in productivity had been made under BS before the start of this year. There had been changes in management and an attempt to improve quality standards and controls. But the effort came too late and Mr Day felt BS could not shoulder the losses for another year.

Mr Grice has also been working on the relationship with the New Orleans designers of the Britoil rig, Odeco. "This had soured under BS as delays had lengthened and an atmosphere of distrust had built up."

Both BP and Britoil had also become angry as their capital rigs were delayed. Offshore construction, Mr Grice notes, "is the one industry in which the client can recognise the value of time, because it's all measured in barrels of oil." If things go right, therefore, "he's prepared to pay, provided you're prepared to perform." With Shell 2002, the Ocean Alliance, things went very wrong. Its complexity and size was of a different order from anything the yard had attempted before.

Scott Lithgow, when it moved from conventional oil and cargo vessels, as orders began to dwindle, successfully built two sophisticated drillships and the Iofair emergency support vessel for Shell.

But the BP rig and the Britoil rig together proved too much for the yard. "BS men grasped that nettle and said 'we're in the offshore industry,'" said Mr Grice who is making Scott Lithgow into what he calls "a project-orientated large construction site."

"They (BS) are shipbuilders who saw a market in offshore and said 'Shouldn't we do something about it?' Wages were lower than the offshore construction norm and the demarcation lines made the achievement of high standards, on time, and to budget, very difficult.

The agreement with its workforce provides the yard with complete flexibility within the steelworking, outfitting, and ancillary trades. Three shifts a day can be worked where necessary and workers can be moved to other groups, after consultation, where the workforce needs to be balanced. The basic wage is now £11 a week for a skilled worker instead of £10, though the increase was accompanied, by sweeping away of a whole series of special allowances which had complicated the pay structure. The unions have also cut down on the number of shop stewards, now 30 against around 120 previously. Mr MacNeil said the management was more willing to consult its workforce.

"People are prepared to raise issues on productivity. Before, they wouldn't have bothered. The stewards' spirit has been broken through in the shell."

Clearly, they are deeply concerned that the yard's management finds new business, once the two rigs have been finished. The Otter submarine refit decision should be known soon. The submarine building orders will take much longer.

Meanwhile, said Mr Grice, "we've put some preliminary bids in for offshore work to get on the list." But whatever will first want to see how Scott Lithgow performs with its present work.

Bourbon cuts no ice in France

From Mr Donald Mackinlay.
Sir.—Your reporter does less than justice to Scotch whisky when he states (September 13) that 68 per cent of the European "business and professional elite" give "any whisky" as their favourite drink. In doing so he repeats the curious form of words used in the report of the Pan-European Survey.

The report shows that those questioned were asked separately about their attitudes to 17 different drinks. These included five separate questions concerning whisky, which ranged from Scotch malt whisky to Bourbon and included whiskies from Scotland, Ireland, Canada, and the U.S.

The answers appear to have been combined to show that 68 per cent of those questioned consume "any whisky," while 79.3 per cent keep "any whisky" in their homes to drink or to serve to guests.

If it was necessary to group these whiskies together, it would have been better to describe them as "all whiskies." The use of the word "any" carries a strong implication that the consumers do not have a real preference and are content to drink any sort of whisky. This is certainly not the case and the overwhelming preference in most, if not all, of the 12 countries included in the survey is for Scotch.

Bank computer keying errors

From Mr G. J. Arnold
Sir.—Our organisation looks after the administration of four major car clubs and it is in the best interests of good financial management that as many members as possible pay their annual subscriptions by banker's order.

During the past 12 months we have experienced a positive epidemic of keying errors by bank employees using computer terminals. We have had to go to great lengths to check these errors and then repay the overpayments. It seems that bank employees are so used to programming monthly bankers order payments that the occasional annual payment gets incorrectly scheduled for monthly payment. In some cases the member does not pick up this mistake for several months.

Some weeks ago we decided that this state of errors was costing us time and money, so we introduced a charge of £5 to return overpaid bankers orders while reminding the banks concerned that it was their absolute duty to credit their client in full.

To date we have repaid in excess of £2,000 and are currently processing another 30 reported errors. How can we get the banks to be more careful?

Graham J. Arnold,
Motor Club Management,
22, High Street,
Watton, Norfolk.

Letters to the Editor

Bank computer keying errors
From Mr G. J. Arnold
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UK-Australia flights
From Mr A. J. Lucking
Sir.—Though the UK-Australia services may appear satisfactory for Mr Grant's well-heeled jetsetters (September 15), by any other standard there is an urgent need for a lean, mean competitor.

Heritage in Danger versus the Treasury
From Mr Hugh Leggatt
Sir.—At a time when our cultural heritage is at severe risk of being sold off to the U.S. as a result of the devaluation of the pound against the dollar, it is saddening that the Treasury should be lobbying both ITN and the BBC to play down this fact (Men and Matters, September 17).

Porton Down and sulfonamides
From Dr E. M. J. Pugatch
Sir.—Your "Men and Matters" comments on Porton Down as a centre for germ warfare research (September 7) deserve some further historical explanation lest your readers believe that this was always the case.

Life insurance and Mr Fowler

From the Pensions Manager, Norwich Union
Sir.—I am getting a little tired of reading in your correspondence columns the imputed view that insurance companies are in favour of the proposed introduction of Mr Fowler's Personal Pensions on the grounds that it will be a financial bonanza.

Heritage in Danger versus the Treasury
From Mr Hugh Leggatt
Sir.—At a time when our cultural heritage is at severe risk of being sold off to the U.S. as a result of the devaluation of the pound against the dollar, it is saddening that the Treasury should be lobbying both ITN and the BBC to play down this fact (Men and Matters, September 17).

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USM Beware of first impressions

In January of this year we published the 1984 edition of our now well-known USM Handbook. Well-known, that is, to those requiring background information on all companies traded.

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Why a merchant bank has started to trade in shares Fleming jumps the City gun

By David Lascelles, Banking Correspondent

WHEN SIR Nicholas Godson, the Stock Exchange chairman, publicly criticises a well-respected London merchant bank, something is plainly amiss in the normally courteous City. And it is.

The alleged trouble-maker is Robert Fleming & Co., a member of the elite Accepting Houses Committee, which has just made history of sorts by starting what is always thought of as its own little stock market in electrical company shares. There's nothing illegal about that, and the Bank of England has said OK. The venture itself is also quite modest: half a dozen people in a room on the first floor of the P&O building.

And it's quite simple. Fleming accepts buy and sell orders in a limited range of stocks and executes them itself by running its own book and often by-passing the Stock Exchange completely.

Share trading in Britain is traditionally the exclusive preserve of the Stock Exchange. Even though all that is supposed to disappear with the changes sweeping through the City, Fleming's move strikes many people as being a little premature, if not downright cheeky.

Sir Nicholas accused it of trying to "regiment" the market, and the Exchange sent a note to all its members reminding them of Rule 88 which says that stockbrokers may transact business in listed stocks only with jobbers on the Exchange. So some of them are allowed to do business Fleming's way, though they must accept orders from Fleming for execution through the Exchange. But if Fleming can do this, what is to stop everybody else, and then what would happen to the carefully stage managed reform of City markets?

Fleming is unrepentant. "We're only unpopular because we're trying to force the pace a bit," said Mr Peter Jamieson, the director in charge of the venture. He professes to be pleasantly surprised by the amount of business he is doing.

The Fleming controversy touches on highly sensitive and still largely unresolved issues to do with the future of the UK securities business. Chief among them is precisely what shape the stock market will have after the "Big Bang" throws it open to wider membership probably in 1986. Another is just what controls should be put on a bank which branches out into the decidedly riskier business of making markets in stocks and



Mr Peter Jamieson, a director of Robert Fleming

shares? And a third is how to limit conflicts of interest: with its new venture, Fleming is simultaneously an investor in UK equities through its fund management business and 58 per cent interest in Save & Prosper, the large unit trust group, a market-maker and a stockbroker—three functions which many people think should be kept quite separate.

If Fleming has jumped the gun, it is by no means a novice in the securities business. Through Jardine Fleming, its Hong Kong merchant banking venture with Jardine Matheson, it is a member of the Hong Kong Stock Exchange, and has for some time been broking and making a London market in Japanese equity-linked securities, a rare not unique instance in the UK of a bank being an equity jobber.

But, as Mr Jamieson puts it: "Our clients did not only want to buy Sony. They wanted ICI as well. So rather than refer the business to someone else, we wondered if we could offer the service ourselves." The looming changes on the London Stock Exchange suggested they could, so Fleming took the plunge—but by establishing its own securities firm rather than buy-

ing one like many of its competitors.

In 1982, it set up Robert Fleming Securities as a vehicle for equity trading. This summer it picked out 23 electrical company stocks to make markets in (an industry which it knows well), and lured over three jobbers from Smith Bros, one of the leading London jobbing firms. Trading began two weeks ago.

Mr Jamieson readily admits that Fleming wanted to stir things up. "We felt there was a danger that the pace here could peter out, especially if it was left to the Government."

But Fleming also wanted to get experience under its belt before the Big Bang. "By the time others get organised, we could be over the horizon," says Mr Jamieson. Fears that Fleming's venture could splinter the market are not just those of the Stock Exchange, though the sharpness of its reaction shows how jealously it guards its interests. The investment community is also a bit worried. "We always like to see more people making markets because that increases liquidity," says Mr Norman Pilkington of Geoffrey Morley and Partners, an independent

fund management house which has traded through Fleming. "But we also prefer a centralised market where we can see what is going on."

Mr Jamieson says a few institutions have refused to do business because of these doubts. But Fleming regularly trades on the Stock Exchange—despite the warning note—by going through a stockbroker like any other member of the investing public. A question that still has to be sorted out is whether Fleming qualifies for the jobbers' exemption by the Inland Revenue from stamp duty.

Fleming got a boost when the Bank of England—which also favours centralised markets—did not stand in its way. At this stage the Bank is more concerned with preserving an integrated market in gilts than in equities.

But as well as challenging the market, Fleming has also attacked the Stock Exchange's prices. It charges no commissions on deals, making its money on the difference between the price at which it buys and sells stock. On the other hand, it offers no research frills which institutional investors consider to be a vital service justifying the stockbrokers' commissions. What Fleming provides amounts to a cut-price dealing service and this may be a good pointer to what will happen after the Stock Exchange abolishes fixed-rate commissions.

Mr Jamieson pooh-poohs fears about conflict of interest within Fleming as "slightly theoretical." The various parts of the bank have already got used to keeping each other at arm's length over Fleming's Japanese securities dealings, he says, and there are strict guidelines to underpin the Chinese walls that separate them. However, Fleming is also trading on its good name. As for the risks in the venture, Mr Jamieson says that Fleming's entire capital, some £20m, stands behind it.

Nevertheless, tighter controls almost certain to be brought in. A regulatory structure for the City is being debated, and the Bank has indicated it may want banks to put their new securities ventures in separately capitalised subsidiaries to limit conflicts and insulate depositors from losses. In the meantime, Fleming has the field virtually to itself. As one investment manager says: "People may tell you they are worried. But they are also envious."

"I'VE BEEN getting a raise every day. It's wonderful!" beams Mrs Connie Borkenhagen, an American stockbroker based in London. "I'm investing more. I've fixed up my house and I've bought a lot of antiques," says Mr Bill Cottle, the Midlands-based managing director of a U.S. manufacturing company.

American expatriates, with dollar-based salaries but lifestyles based on foreign currencies, have benefited all over Europe from the dollar's inexorable surge on foreign exchange markets.

Meanwhile the throng of freespending American tourists in the alleys of Harrods and on the pavements of the Rue de Rivoli is ever-present evidence of the dollar phenomenon. Astonished at the purchasing power of their greenbacks, American visitors have been pouring them into the tills of European restaurateurs, hoteliers and shopkeepers.

Instead of buying a sweater or two, Americans have been buying ten, reckoning that they'll never see a better bargain. "My mother has bought Christmas presents for the next 15 years," says Mrs Borkenhagen.

Tourists have been packing into restaurants like The Chicago Pizza Pie Factory—a true slice of America in London's Hanover Square, bedecked with Chicago memorabilia. Mr Bob Payton, its American proprietor, says: "There have been times when half the people eating here have been Americans—for most of the year it's only 10 per cent. Business usually drops off in July, but this year it went up."

But the influx of American tourists has not been an unalloyed pleasure for the resident businessman. "I tried to get a hotel room in London the other day for friends, and couldn't," says one. "Even the clubs are fully booked."

Perhaps he protests too much. The dollar's 17 per cent overall rise over the past two years has provided a boost to the standard of living of Americans living and working abroad. "These people have been making out like bandits in terms of purchasing power," says one U.S. banker. The dollar has risen 39 per cent against sterling, 34 per cent against the French franc, 24 per cent against the D-mark and 27 per cent against the Dutch guilder.

But there are drawbacks. Living allowances have been trimmed, in some cases almost wiped out. Some foreign governments, notably in Britain, are taking a tougher line on taxing overseas residents, and European houses owned by Americans have been depreciating in dollar terms. Smaller companies, or those recently floated or subject to takeover or merger, can enable new managements—often highly motivated by personal stockholdings—to achieve spectacular results. The Perpetual International Emerging Companies Fund is being launched to concentrate particularly on these investment areas, while the Managers believe offer outstanding opportunity. The research and analysis required, is at a level that the individual investor would be hard pressed to achieve alone. Over the last 10 years, Perpetual has developed a worldwide network of independent financial advisers—an ideal platform from which to identify successful emerging companies.

The dollar's strength Bargain time for Americans in Europe

By Charles Batchelor and Alexander Nicolli



Martyr Barnes

currency windfall, but acknowledges that life has got better. And anyway the senior manager in his late 40s with several children in school has a less flamboyant lifestyle than the bond dealers in their early 20s who throng London clubs such as the Zanzibar and Annabel's.

Even so, there does seem to be a pattern. American business people in Europe are definitely spending more on consumer goods, antiques, travel, entertainment and their homes. Some are also finding they have enough spare cash to start investing locally. Mr Bill DeLong, finance director of Vauxhall Motors, the General Motors UK subsidiary, has spent most of the past 25 years overseas. After a spell in Britain in the late 1960s he returned for a second tour of duty nearly four years ago.

"There is no question that there is a tremendous difference in your life when the dollar goes from \$2.40 to the pound to \$1.20," he says. "For Mr DeLong a higher standard of living means more visits to the theatre, more travel and, for the first time, plan to invest money in the UK."

"We have been looking at property as an investment over here. We were after a second house but we came in a little late with our bid. I am also looking at investing in the shares of one or two British companies." Mr Max Geldens, a director in

the Amsterdam office of McKinsey and Company, the American management consultants, confirms that some Americans are increasingly willing to convert their dollars to European currencies. "They are bringing money over right now to spend in restaurants, on clothes, vacations and on buying a second car," he says.

This trend has been reinforced by fears that the dollar's rise cannot go on for ever. "I don't think it will last," says one American. "The world cannot continue to finance Ronald Reagan's deficit."

"The firm dollar has made London very cheap," says Mr Dick Ford, a partner in Knight, Frank and Rutley. "A noticeable number of Americans, particularly City men such as bankers, brokers and bond dealers, have been buying expensive houses in central London over the past couple of years."

Many Americans, however, still prefer to keep their salaries in dollars. Mr Stephanie Simonard, senior manager with Peat Marwick, Mitchell in Paris, says: "As far as I can tell, people are not bringing the extra money into France. I don't think people are spending wildly. They are keeping their money in America, taking advantage of high interest rates."

Mr Gregory Ahern, vice-president in the London branch of Fleet National Bank, which

offers a special account handling expatriates' banking needs on both sides of the Atlantic, says: "Some customers almost entirely avoid spending in pounds. They use a Gold Visa card to make the most routine purchases, even for dry cleaning, and the payments are debited from their account in dollars."

But salaries are not the full picture. For most executives employed by multinational companies, living allowances account for a large part of their total incomes. Allowances in Europe range from 10 to 50 per cent of basic salaries. And allowances have gone down as the dollar has gone up.

"My cost of living allowance was \$700 a month three years ago," says Mr DeLong. "Now it is about zero." Mr Larry Brannan, a senior executive with Esso Europe in London, adds: "Cost of living allowances vary with the exchange rate. Allowances are adjusted downward by the strength of the dollar. I have not noticed any change in anyone's lifestyle within this company."

Higher incomes in local currency terms inevitably mean higher taxes for Americans living in France, for instance, may even become subject to wealth tax. In the Netherlands executives earning up to \$100,000 have moved into the 75 per cent tax band from 60 per cent, nullifying any advantage of the firmer dollar.

Americans living in Britain, who had been enjoying a welcome boost from President Reagan's decision to raise the income tax threshold for expatriates to \$80,000, got a rude shock in last April's UK Budget. The 50 per cent tax relief on salaries paid by an overseas employer to UK residents has been abolished for new arrivals and will be progressively reduced for existing foreign residents until it is removed in 1989.

While Americans newly arrived in Europe find their dollars can buy them more luxurious accommodation, those who bought when the European currencies were firmer see the dollar value of their main UK asset melt away. "Some however, intend to retain their UK homes as an investment in the belief that sterling will regain ground against the dollar."

So not all expatriates have been popping champagne corks in celebration of their enhanced wealth. Many Americans, in any case, are not big spenders, despite the gleeful extravagance of the tourists. Most do not drink heavily, so they tend to spend less than the British in restaurants. While Americans order a Diet Coke with their pizza, the British will order a cocktail and wine. "Why anybody would want to drink a Pina Colada with a pizza is beyond me," says Mr Payton, the restaurateur.

Weekend Brief

Gung-ho approach to the Booker

HARD LUCK, Kingsley and Martin Ains. See you again, William Boyd, Stanley Middleton, Fay Weldon and 25 other admirable novelists whose books fell at the critics' fence this week. The literary establishment for the £15,000 Booker McConnell Prize for Fiction is riding for a finish on October 16. Six are still in the running. If 1984 edill weigha heavily on your imagination, this year's Booker shortlist will come as a pleasant surprise. There is not a morbid, a decadent, nor even what you might call a moody read among them. Even *Empire of the Sun* (Gollancz, £8.95), J. G. Ballard's powerful, partly autobiographical account of an English schoolboy's internment

in Japanese-occupied Shanghai, is less a predictable balance of bravery against brutality than a potent, original addition to the literature of World War II.

Of the other five, one is downright hilarious; the others humorously wry, wryly humorous and touching. As these things go, it is the most cheerful Booker Prize election in years—gung-ho in fact; if not fiction.

A retired, cultivated English doctor, first-person narrator of Julian Barnes's *Flaubert's Parrot* (Cape, £8.50), drifts back to France through memories of D-Day and a past populated with characters from Flaubert's novels. Mr Barnes gives us as much good conversation as good story: reflections on infidelity, death, and mourning; old love "like a rusty tank standing guard over a slabby monument." In and out of a wonderfully worked Bayeux tapestry of a novel run Flaubert's Letters, helix and otherwise, ranting splendidly on life, art, and criticism; the death of each character slashing the finest pages of art to shreds.

Edith Hope, Anita Brookner's heroine, is also abroad: banished (for sins unspecified other than being a successful

"romantic" novelist) to the dreadful comfort and separate tables of a Swiss hotel beside Lake Geneva. *The Hotel du Lac* (Cape, £7.95) took a quiet pride, and sometimes it was very quiet indeed, in its isolation from the herd." Miss Brookner, whose art shows us of humour dissolving in a mixture of hope and despair, penetrates to the heart of isolation: elegant, agonisingly polite stonewall of ladies fallen victim to their own good manners and intelligence. This one happens to look like Virginia Woolf. "If your capacity for bad behaviour were being properly used, you would not be moping around in that cardigan." Miss Brookner looks quietly marvellous here.

Custody (Heinemann, £7.95) shows an Indian literary life against a backdrop of Indian poverty—and poverty of the spirit, in the marriage of Deven, a small-town scholar in Northern India, and his eulenic, disappointed wife. Anita Desai's delicately amusing novel is set mostly in Delhi, where Deven interviews India's greatest Urdu poet and is caught in webs of foolishness and deceit; his life commandeered by a different, unexpected kind of captivity. "Company executives get

coronaries; those of us who are in the book business get a bad attack of life." That's what happens to Mark Lammington, literary gent helpless in love with a helplessly trusted, literary—"In fact I don't really read at all"—lady, the gunboat-brand daughter of the subject of Mark's biography, Penelope Lively's lively gospel *According to Mark* (Heinemann, £8.95) has the ring of truth, as well as true love, about it; and so has David Lodge's wonderful *Small World* (Secker and Warburg, £8.95), which will make you laugh out loud whether you are in the book business or not, and especially if you are.

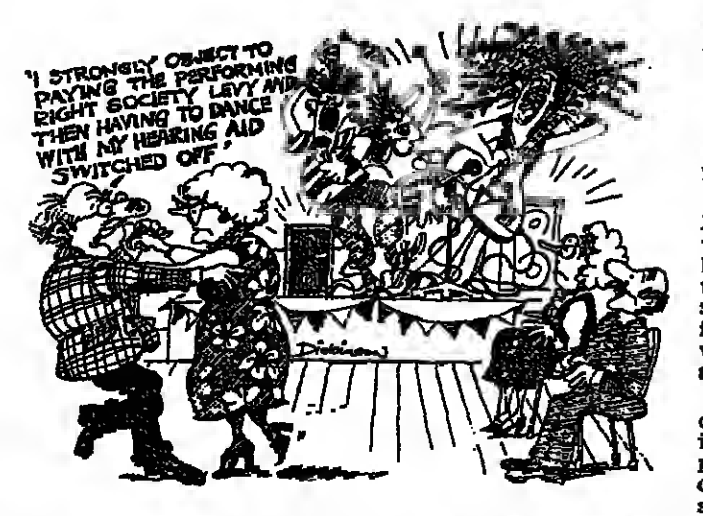
Here is a brilliantly funny, brilliantly contrived Gal tale: fair ladies, faint hearts, dons as demits and dragons, all spinning around the globe in the merry-go-round of academic conferences. "A romantic" novel and a literary tour de force. One's heart goes out to the Judges, including the ill. ed. of the FT: they are going to have a hard time picking the top novel out of this particular bunch.

Gay Firth

Charges that fall on deaf ears

A Dorset garage has just run foul of the "security staff" of the Performing Right Society, but it could have been any place of work where the radio is turned up loud. The PRS is "an association of composers, authors and publishers of music." It is more complicated than that: numbers of senior citizens—sitting or dancing—are calculated by taking "the average attendance figures plus one-third."

That was the beginning of September. By the end of the month, Darcy and Joan chibs will notice that inflation has hit their dances, or dancing class: "24p is added, which brings it up to 47p," explained the PRS. "This is then rounded down"—as opposed to rounded up, since the Society can be generous to a fault—"giving us 47p," payable for every hundred folk sitting and tapping their pension books in time to the music.



The band may be amateurs but the accountants who work all that out must be highly professional. Even greater skill with a calculator, or mainframe computer, is needed for Tariff 1—Factories, Offices & Canteens."

This applies to background music which soothes, or infuriates, employees on the shop-floor. The money to be handed over is 2.15p per day for every half-hour that the muzak is blaring away, multiplied by each unit of 25 employees to whom the music is audible. The rate is different for the canteen: "4.38p per day for each unit of 25 employees (or part of 25) to whom the use of the canteen is available"—even if they have more sense than to eat foot in the place.

No wonder British industry is so uncompetitive. Do Japanese executives have to multiply half-hours by the total of employees deafened by loudspeakers (divided by 25)?

To this, the PRS would reply that composers have to pay the rent in the same way as other mortals and deserve payment for performance of their music. Certainly, no one could grudge the £64.17 extracted every year from publishers and others initiating a jukebox upon paying customers. Still less cause for complaint is the £83.42 levied for a video jukebox, a kerfuffle for a video jukebox, a real nasty in two ways. That sum is for a machine with "acreen 26 inches or less"; for a larger screen the total is £102.67, and quite right too.

Jonathan Sale

All over the world emerging companies are showing exciting growth potential.

The new generation fund, investing in smaller companies and young industries.

All over the world, exciting investment opportunities are being created by new industries, small companies that have recently been publicly floated, and organisations undergoing dramatic change.

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Perpetual, over the last decade, has specialised in international investment, and our two established international Funds have already proved to be excellent investment choices, with units increasing in value in each year of their lifetime.

The International Growth Fund, since its launch on 12th September 1974, has increased an original investment of £10,000 to a current worth of £155,500 and is Britain's top authorised unit trust for capital growth over the period ending 1st September 1984.

The Worldwide Recovery Fund, since its launch on 23rd January 1982, has increased an original investment of £10,000 to a current worth of £18,300 as at 1st September 1984.

GROWTH FUND
148.5%
WORLDWIDE RECOVERY FUND
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NB: Figures are on an offer to invest basis with net income reinvested. Performance is measured as a guide only and should not be construed as a guarantee of future success.

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The Managers of this new Fund will be the same team as for our existing international Funds. Perpetual has over £100m of funds under management. The sole objective of the Fund is maximum capital growth, and the estimated initial yield is 1% gross per annum.

It is anticipated that the Fund's initial portfolio will be deployed in North America (50%), Europe, including the U.K., (30%) and the Far East (20%).

You should remember that the price of units and the income from them can go down as well as up.

To invest, simply complete the coupon and forward this, together with your cheque, to Perpetual Unit Trust Management Ltd, before 12th October 1984.

Perpetual Group International Emerging Companies Fund

APPLICATION FORM

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I/We enclose a cheque, made payable to Perpetual Unit Trust Management Ltd, by the amount shown below for immediate investment in the Perpetual International Emerging Companies Fund, at a fixed price of 50p per unit. I/We enclose £18,000.

I/We wish to invest £ (minimum £1,000)

Note: The launch offer closes on 12th October 1984. The application, together with your cheque, must reach us by this date. After this date, units will be allocated at the offer price prevailing on the day of receipt of your application.

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FIRST NAME: _____
ADDRESS: _____
POST CODE: _____
SIGNATURE: _____

Perpetual
British and Foreign Investment Corporation

Companies and Markets

UK COMPANY NEWS

News Intl. marginally lower at £35.7m

A REDUCTION in second-half profits from £23.9m to £17.07m left News International...



Mr Rupert Murdoch, the chairman of News International

25p special dividend share was up from 6.113p to 8.435p...

S. W. Wood maintains improvement

S. W. Wood, non-ferrous metal merchant, processor and smelter, returned pre-tax profits...

Lawrie Group surges ahead to £9.77m

Lawrie Group, which has interest in ten plantations, boosted pre-tax profits...

Systems Designers over £1m halfway

THE ENLARGED Systems Designers International computer consultancy group earned £1.1m before tax...

Partially as a result of the merger, earnings per share improved from 2.5p to 4p...

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, etc.

Dividends shown pence per share net except where otherwise stated.

with an industry consortium led by Systems Designers. Mr Swinstead points out that the ASPECT project incorporates Systems proprietary Perspective...

Liberty more than doubled at £0.23m and sales encouraging

TURNOVER, excluding VAT, at Liberty, retailer, merchant co-venturer and wholesaler, rose by £3.7m to £19.5m in the half...

With half-yearly earnings per 25p share stated at 1.07p (21p losses) the interim dividend is raised by 0.2p to 1.2p...

Digital sales increase at Imtec

Imtec Group, one of last year's many recruits to the USM's ranks, achieved higher taxable profits of £85,000, against £79,000 over the 12 months to March 31 1984.

As promised at the time of its USM inauguration last October the recommended single final dividend payment is 1.7p, which is converted five times by stated earnings per share of 8.5p.

An analysis of turnover and trading profits of £489,000 (£287,000) shows respectively (in £000s); retailing £14,105 (£11,458) and £22,000 (£17,000)...

Group profits on mainstream activities more than doubled, which was attributable to the company's Regent Street store successfully meeting the challenge of the influx of overseas visitors and improved performance in both its American retail and French textile printing operations.

The company's policy of controlled expansion continues with the recent opening of a stand-alone branch in Norwich.

UK retailing profits increased from £152,000 to £206,000, but the contribution from the rest of the EEC was lower at £27,000 (£24,000). U.S. losses were reduced by £54,000 to £148,000.

Group interest charges were £20,000 higher at £213,000 for the half year. After a lower tax charge of £120,000 (£188,000) and a minority debit of £5,000 this time, the net surplus came out at £101,000, against a £95,000 deficit last time.

There were also unchanged extraordinary credits of £250,000, comprising the net profit arising out of the disposal of a freehold property until recently owned by the company which was no longer essential to the group's mainstream activities.

In calendar 1983 the company pushed profits up from £1.71m to £1.96m on turnover of £14.65m against £13.9m.

Both the interim dividends on the "A" and "B" shares are being held at 5p and 1.5p respectively.

lugs extend and become more complex. "We continue to see this demand for our professional services both in the UK, Europe and in the U.S. where our subsidiary doubled its revenues to the first half. We therefore remain confident for the future," concludes Mr Swinstead.

These figures highlight just how much scope there is for SDI to improve SPH's margins, which at 3 per cent are a fraction of what its owner can achieve on a similar range of businesses. However, the length of SPH's existing contracts and the managerial complexity of the task mean the company is unlikely to start performing in line with SDI until next year at the earliest.

Looking ahead, the chairman says that all market forecasts predict an increasing demand for software and expertise as the applications of computer technology extend and become more complex.

Macdonald Martin up first half

Export shipments of blended products of Macdonald Martin Distilleries improved slightly in the first six months of 1984, but sales volumes in the home trade suffered from "intense competition".

Overall, group pre-tax profits for the period moved ahead from £174,000 to £185,000 on turnover £205,000 higher at £3.58m.

The company says that the malt category is demonstrating "substantial progress" at home single malt continues to outperform a strong industry trend. Activities in this field are being expanded to include long-term development of the Glen Moray 12 year old.

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Both the interim dividends on the "A" and "B" shares are being held at 5p and 1.5p respectively.

Northern Industrial pays 10p

After-tax profits of Northern Industrial Improvement Trust, Investment and property holding company, increased from £101,321 to £111,449 for the year to March 31 1984.

Earnings per £1 share were taken up from 8.3p to 8.2p and the dividend is 10p higher at 10p, with a final 10p.

Investment income and net profits for the period totalled £215,602, against £206,802. Tax charge was down slightly from £70,384 to £69,231.

Export boost helps Watts Blake profits rise 30% to £2.02m

The continued improvement in exports, particularly in china clay, has helped Watts Blake Earne and Company, producer of ball and china clays in Devon and West Germany, to raise pre-tax profits for the half year ended June 30 1984, by 30 per cent from £1.55m to £2.02m.

Turnover increased from £12.88m to £14.29m, of which home sales accounted for £3.65m (£3.57m) and exports and overseas trading for £10.64m (£8.11m).

Earnings per 25p share were stated at 6.53p (4.49p) and the directors have declared an interim dividend of 1.65p against 1.3p last time—last year's final was 2.6p and pre-tax profits were £3.63m.

A pause in the expansion in demand developed towards the end of the first half, reports Mr C. D. Pike, chairman. This continued during July and August, and it is only now that the company is seeing resumption of the anticipated improvement.

Strong response to Dominion rights

A £15m disguised rights issue by Dominion International—being made in the form of a takeover of Anglo-International Investment Trust—has met a strong response from Dominion's own shareholders.

Domination, the property, natural resources and financial services group chaired by Mr Max Lewinson, offered its shareholders the chance to subscribe to shares being issued at 11.5p each, reflecting a change in the sales mix away from hardware towards more profitable software products and consultancy work.

The company says that the market category is demonstrating "substantial progress" at home single malt continues to outperform a strong industry trend. Activities in this field are being expanded to include long-term development of the Glen Moray 12 year old.

In calendar 1983 the company pushed profits up from £1.71m to £1.96m on turnover of £14.65m against £13.9m.

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Dinkie Heel unchanged at £55,000

An improved order book for safety steel toe caps has increased sales in the first six months of 1984 at Dinkie Heel, Bristol-based footwear components producer.

Turnover for the period rose from £955,000 to £994,000, although pre-tax profits remained unchanged at £55,000.

Earnings per 5p share were shown unchanged at 0.41p, and a same again 0.2p interim dividend will be paid.

Mr D. M. Parries, the chairman, reports that a sustained improvement now seems more likely as a result of both a general recovery in worldwide demand.

Connor Finance sells 2m First Castle shares

Connor Finance Corporation has placed 2,000,000 shares in First Castle Electronics with various institutions and individuals.

Connor is retaining around 6 per cent of the FCE's share capital.

Mr Leslie Connor, FCE's chairman, says the board welcomes the announcement.

The share placing was taken on professional advice to meet a future tax liability of the Connor family trusts.

First Castle shares fell 9p to 118p yesterday.

The directors believe that the year as a whole will be satisfactory, while maintaining a note of caution.

Mr Pike says that 1985 should continue to show modest progress.

Depreciation took £1.06m this time, against £1.07m, and tax was up £225,000 at £925,000. Dividends will absorb £277,000 (£262,000), leaving a balance of £658,000 compared with £661,000.

As befits a company founded in 1710, Watts Blake Earne takes a suitably long-term view of itself. Its strategy is based on gradually improving the value of its clay by carrying out various processing jobs previously done by the customers.

The group plans to increase the extent of its sales abroad—currently 85 per cent of UK output is exported—as developing countries increase their demand for kitchen and bathroom ceramics.

As one of the "only" handful of ball clay producers in the world, Watts Earne can afford to take a rather broad view of its markets. This is not to suggest that the company is slackly managed—on the contrary it maintains a technological edge in processing over 100 different grades of English china clays.

The point is that, on trading prospects alone, investors can expect no more than the steady progress of previous decades—a little less in recession. However, that is not the end of the story, since market interest in the stock has long focused on the 19 per cent stake held by ECC, which would probably like to own WBE if the Monopolies and Mergers Commission allows it. It is this which would allow WBE its premium rating of profits of 54.2m pre-tax this year, and a 40 per cent tax charge, the shares, at 198p, trade on a multiple of 12x.

for kitchen and bathroom ceramics. As one of the "only" handful of ball clay producers in the world, Watts Earne can afford to take a rather broad view of its markets. This is not to suggest that the company is slackly managed—on the contrary it maintains a technological edge in processing over 100 different grades of English china clays.

Lansfield lifts funds to £25m

Lansfield Management, which offers fund management services to private clients of chartered accountants and other professional firms, has more than doubled its funds, through the acquisition of another management concern.

The firm acquired Le Image Investment & Financial Services, which manages £14m of funds. Mr Bruce Maude moves from Le Image to become chairman and managing director of Lansfield.

Mr Roger Baden-Powell has stepped down from the chairmanship of Lansfield but remains its joint managing director with Mr Andrew Chilcott.

Lansfield targets a list of chartered accountants and other professional firms on the premise that the emergence of UK financial conglomerates may tempt clients away from them. Lansfield aims to prevent the professionals' clients from switching to "in-house" shops, according to Mr Baden-Powell.

Domination, which is being advised by Samuel Montagu, has received acceptances from 85 per cent of Trust asset shareholders and 87 per cent of dividend shareholders.

Domination shares were unchanged at 97p yesterday.

Brook Bloodstock green light for £2m share offer

Brook Bloodstock, a Newmarket-based breeder and owner of thoroughbred racehorses, is planning to raise £2m under the Government's Business Expansion Scheme.

The group had originally intended to issue shares in March as the Brook Stud Company, but the issue was withdrawn after BES tax relief for farms was abolished in the Budget.

The Inland Revenue argued that the company counted as a farm because it occupied stud premises.

Since then, the group has transferred its land and property to another company, Brook Stud, and retained the breeding and selling business. Mr David Michaels, chairman of Guidehouse, the issuing house handling the offer for subscription, said the Inland Revenue had indicated that Brook Bloodstock now qualifies under the BES.

Electra Risk Capital has invested £250,000 in the business and placed a director on the board. Brook is offering for subscription 4m shares at 50p each and will use the proceeds to buy bloodstock.

Taxable profits declined from £242,000 in the 20 months to August 1982 to £192,000 in the year to August 1983, and are estimated to have risen to £248,000 in the year just ended.

Brook owns or has an interest in 16 broodmares, six fillies in training, eight yearlings and four stallions and six stallions.

It plans to buy back the stud after three years, in which event investments will still be eligible for BES tax relief. Guidehouse will be making an over-the-counter market in the shares.

COMPANY NEWS IN BRIEF

an extraordinary debit of £34,000. After a minority credit of £27,110 (net) the attributable surplus came through at £107,285, compared with £159,575. Earnings per 12 1/2p share were shown as dropping from 31.98p to 26.25p and the net dividend is held at 3p.

A rise in pre-tax profits from £235,000 to £339,000 has been shown by the Tharsis Co for the first half of 1984. Turnover of this Glasgow-based exporter of pyrites fell from £3,077m to £2,444m and the directors do not expect this to improve in the second half.

The net interim dividend has been held at 2p. In the last full year a total of 6p was paid from pre-tax profits of £1.1m (£412,079).

First-half sales of mineral produced by the Compania Espanola de Minas de Tharsis, to customers in Belgium, Greece and Italy, have been satisfactory and the directors expect export sales tonnage for 1984 to be similar to 1983.

The substantial decrease in turnover is partly due to some sales to Greece now being invoiced on an FOB basis (1983 cost basis). This change has not affected profits for the period. However, the other main reason for the decrease has been a considerable reduction in sales of land and houses.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

British Electric Traction established a strong presence in the home improvement market this week, paying £26.5m for an 80 per cent stake in Anzian Windows, the second biggest UK installer of replacement windows.

Investment property group Peel Holdings made an agreed bid worth £15m for Bridgewater Estates, offering 11 ordinary shares and £2.50 nominal of new 10 per cent preference stock for every 10 Bridgewater ordinary shares.

Provincial hoteliers Price of Wales Hotels, a subsidiary of Taddale Investments, received an approach which could lead to an offer. Possible bidders for PoW include Scottish hoteliers Stakis and Mr Nurdin Jivraj's Rushlake Investments.

Value of bid for share price Market bid before bid Bidder

Table with columns: Company bid for, Value of bid share price, Market bid, before bid, Bidder

Table with columns: Company, Value of bid share price, Market bid, before bid, Bidder

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on 21/9/1984. †† At discretion of issuer. ‡‡ Shares and cash. ††† Related to NAV to be determined.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends per share

Rights Issues

Priest, Benjamin—To raise £3.65m through a placing of 3,345,000 new 10p shares at 1.10p each. Each share carries the right to convert into 20 ordinary shares between 1985 and 1987.

Reckitt & Coleman—To raise £106m through a one for five rights issue at 445p per share.

1982. Therefore shareholders are being offered 1 conv pref share for every 8 ord shares held.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends per share

BIDS AND DEALS IN BRIEF

The annual general meeting of Dee Corporation approved the subdivision of each share of 25p into 4 shares of 6.25p each.

As a result the terms for the purchase of Lennox Group become 8 Dec for every 19 Lennox.

Feedex Agricultural Industries has sold part of the assets and business of its agricultural engineering John H. Taylor to Econ Tanker, a private company for £250,000 in cash.

Econ has made a initial payment of £80,000. A further £45,000 will be paid on December 31 with the balance in instalments with a final payment in October 1985. The book value of the stocks being acquired is £880,000 and machinery and other assets included in the sale are valued at £57,000.

Comprehensive Financial Services—USM placing of 1m shares at 85p each.

Trade Promotion Services—USM placing of 2.72m shares at 79p each.

Offers for sale, placings and introductions

British Bloodstock Agency—USM placing of 800,000 shares at 165p each.

Trade Promotion Services—USM placing of 2.72m shares at 79p each.

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UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

Bank of Scotland's first half figures for the period to the end of August, due on Tuesday, should show solid progress. The most recent industry statistics show a 2 per cent increase of average sight deposits in Scotland over the last six months.

Exchange rate gains will have again provided much of the impetus behind the group's performance. The group reports on the first six months to June on Thursday. There will also be considerable benefits from loss elimination, principally from the tractor and motor businesses, which were 25p in the red last year.

Charterhouse's J. Rothschild's interim results for the period to the end of June present the City with particular forecasting difficulties. The figures due on Wednesday are the group's first since it was formed by the merger between Charterhouse Group and RIT & Northern Investment Trust, so more than one analyst is reserving judgement until after the announcement.

Table with columns: Company, Announcement date, Dividend Last year, Dividend Final. Lists various companies like A.B. Electronic Products Group, Acorn Computer Group, etc.

Table with columns: Company, Announcement date, Dividend Last year, Dividend Final. Lists various companies like Aberdeen Construction Group, Adhesive and Resin Products, etc.

BHP increases earnings by 40% in first quarter

By Michael Thompson-Noel in Sydney. BHP has changed tack in recent times seeking to de-emphasise its former exposure as Australia's monopoly steel producer and become instead a major international resources concern.

State drops Dome's safety net

By Bernard Simon in Toronto. The Canadian Government has told Dome Petroleum, the Calgary energy producer, that it will not renew a C\$1bn (US\$757.6m) rescue package for the company, which expires on October 1.

Merrill, Hutton in Charter talks

By William Hall in New York. The Equitable Life Assurance Society, one of the biggest U.S. insurers, Merrill Lynch and E. F. Hutton, two of the biggest U.S. brokerage firms, are discussing the joint purchase of the insurance operations of Charter Company, the Florida-based conglomerate which filed for protection under Chapter 11 of the U.S. bankruptcy code earlier this year.

Northwest Industries agrees bid

By Our New York Staff. Northwest Industries, the Chicago-based conglomerate, has agreed to be acquired for over \$1bn by a group of investors led by former top officials of Esbark, the industrial group acquired by Beatrice Foods earlier this year.

Swedish insurer sees big setback

By Kevin Oone, Nordic Correspondent, in Stockholm. SKANDIA, THE Swedish insurance group, has suffered a steep fall in earnings for this year.

Swire Pacific boosts income and dividend

By David Goodwell in Hong Kong. SWIRE PACIFIC, the diversified Hong Kong group whose main subsidiaries are Cathay Pacific Airways and Swire Properties, has registered net profits of HK\$477.4m (US\$66.9m) for the half-year to end June—almost 10 per cent up on the HK\$435.1m earned during the same period last year.

Swiss step up action over Bank Handlowy placement

By Maggie Urry. SWISS BANKERS representing the holders of a private placement of bonds by Bank Handlowy, Poland's foreign trade bank, have stepped up action over the non-payment of the final redemption on the bonds, due last May.

Trotman to take over as Ford of Europe president

By Kenneth Gooding, Motor Industry Correspondent. MR ALEXANDER TROTMAN, 51, has been appointed president of Ford of Europe to fill the vacancy caused by the sudden resignation of Mr James Capolungo in June.

VW reshapes Brazil operations

By John Davies in Frankfurt. VOLKSWAGEN, the West German motor vehicle group, expects to benefit from further rationalisation measures in Brazil after a merger of its car and truck subsidiary companies there.

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LONGTON INDUSTRIAL HOLDINGS P.L.C. TURN ROUND TO PROFITS. Year ended 31st March 1984 vs 1983. Turnover 2000's vs 2000's.

MONTAGU INVESTMENT MANAGERS LTD. CAPITAL STRATEGY FUND LIMITED. Gartmore Fund Managers International Limited.

BASE LENDING RATES. A.B.N. Bank 10 1/2%, Allied Irish Bank 10 1/2%, Amro Bank 10 1/2%, etc. WESTAVON SECURITIES GUERNSEY LTD.

Singapore issue sold out

AN OFFER of 22.6m shares by Lin Kah Ngam, a diversified Singapore construction company, was more than 24 times oversubscribed at the close of applications on Thursday.

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for New York market, including columns for Stock, Sept. 21, and Sept. 20.

Dow drops 15 on late sell-off

Northwest Industries courted... several months, analysts may be waiting for hints as to unexpected changes to company fundamentals, he said.

PARIS

Firm across the board in active trading... Advances led declines by 141.65 to the French section.

WALL STREET

Table of stock prices for Wall Street market, including columns for Stock, Sept. 21, and Sept. 20.

CANADA

Table of stock prices for Canada market, including columns for Stock, Sept. 21, and Sept. 20.

AUSTRIA

Table of stock prices for Austria market, including columns for Stock, Sept. 21, and Sept. 20.

INDICES

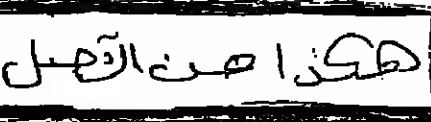
Table of various stock indices including Dow Jones, Standard and Poors, and others.

GERMANY

Table of stock prices for Germany market, including columns for Stock, Sept. 21, and Sept. 20.

NORWAY

Table of stock prices for Norway market, including columns for Stock, Sept. 21, and Sept. 20.



CURRENCIES, MONEY and CAPITAL MARKETS

Companies and Markets

FOREIGN EXCHANGES

Dollar slumps

The dollar fluctuated sharply in some of the largest currency movements seen in the foreign exchange market yesterday. The day's trading pattern was divided into the dollar's early improvement followed by a sharp fall. News of a return to work by GM workers came on the back of a sharp rise in U.S. M1 money supply which pushed the dollar to DM 1.768 against the Deutsche mark compared with Thursday's closing level of DM 1.3265.

From this moment on the dollar and the market both became rather disorderly. A number of participants had already left the market as the dollar put it "if you haven't made a profit by now, you never will." The proximity of the week-end also deterred fresh trading and so business levels were rather thin when intervention by several central banks including the U.S. Federal Reserve Bank, to sell dollars combined with further injections of cash into the New York money market and a cut by Morgo Guaranty Trust in its prime rate to 12 1/2 per cent from 13 per cent pushed the dollar sharply weaker to a low of DM 3.0580.

The nature of trading was reflected in the size of spreads between bid and offer prices. The dollar sported a full one penny spread at the close of DM 3.0550-DM 3.0650. Elsewhere it fell to 1/2 in New York.

Spot $\$1.2505-1.2605$ (2771-2774) $\$1.225-1.235$ (2771-2774)
 1 month $\$1.05-1.08$ (2771-2774) $\$1.05-1.08$ (2771-2774)
 3 months $\$1.05-1.08$ (2771-2774) $\$1.05-1.08$ (2771-2774)
 6 months $\$1.05-1.08$ (2771-2774) $\$1.05-1.08$ (2771-2774)
 12 months $\$1.05-1.08$ (2771-2774) $\$1.05-1.08$ (2771-2774)

Forward premiums and discounts apply to the U.S. dollar.

THE DOLLAR SPOT AND FORWARD

Sept. 21	Day's spread	Close	One month	% Three p.a.	% p.a.
U.K.	1.2505-1.2605	1.2480-1.2490	0.06-0.08c	-0.72	0.20-0.34c
Ireland	0.82-0.83	0.815-0.825	0.10-0.05c	1.20	0.45-0.30c
Canada	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Belgium	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
France	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Germany	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Denmark	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Norway	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Sweden	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Japan	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Australia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Spain	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Portugal	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Italy	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Switzerland	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
South Africa	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
India	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
China	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
South Korea	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Thailand	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Philippines	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Malaysia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Singapore	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Indonesia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Brunei	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
East Africa	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Latin America	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c

THE DOLLAR SPOT AND FORWARD

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Ireland	0.82-0.83	0.815-0.825	0.10-0.05c	1.20	0.45-0.30c
Canada	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Belgium	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
France	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Germany	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Denmark	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Norway	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Sweden	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Japan	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Australia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Spain	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Portugal	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Italy	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Switzerland	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
South Africa	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
India	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
China	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
South Korea	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Thailand	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Philippines	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Malaysia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Singapore	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Indonesia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Brunei	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
East Africa	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Latin America	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c

THE DOLLAR SPOT AND FORWARD

Sept. 21	Day's spread	Close	One month	% Three p.a.	% p.a.
U.K.	1.2505-1.2605	1.2480-1.2490	0.06-0.08c	-0.72	0.20-0.34c
Ireland	0.82-0.83	0.815-0.825	0.10-0.05c	1.20	0.45-0.30c
Canada	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Belgium	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
France	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Germany	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Denmark	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Norway	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Sweden	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Japan	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Australia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Spain	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Portugal	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Italy	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Switzerland	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
South Africa	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
India	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
China	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
South Korea	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Thailand	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Philippines	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Malaysia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Singapore	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Indonesia	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Brunei	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
East Africa	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c
Latin America	1.2025-1.2055	1.2030-1.2040	0.00-0.01c	-0.50	0.55-0.60c

OTHER CURRENCIES

Sept. 21	£	¢	Note Rates
Argentina Peso	108.56-108.75	85.18-85.28	86.76-97.06
Australia Dollar	1.4840-1.4860	1.1925-1.1935	77.50-78.40
Brazil Cruzeiro	2.7175-2.7195	2.105-2.110	15.80-15.94
Canada Dollar	1.2505-1.2525	1.010-1.015	11.71-11.86
East German Mark	1.4840-1.4860	1.1925-1.1935	77.50-78.40
Hong Kong Dollar	9.8910-9.910	7.830-7.840	2343-2375
India Rupee	11.90-12.00	9.90-10.00	291-303
Indonesia Rupiah	1.4840-1.4860	1.1925-1.1935	77.50-78.40
Japan Yen	11.90-12.00	9.90-10.00	291-303
Malaysia Ringgit	1.4840-1.4860	1.1925-1.1935	77.50-78.40
New Zealand Dollar	1.4840-1.4860	1.1925-1.1935	77.50-78.40
South African Rand	1.4840-1.4860	1.1925-1.1935	77.50-78.40
U.S. Dollar	1.4840-1.4860	1.1925-1.1935	77.50-78.40
U.S. Dollar	1.4840-1.4860	1.1925-1.1935	77.50-78.40

EXCHANGE CROSS RATES

Sept. 21	£	¢	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.0000	1.248	1.630	3.041	11.94	1.135	4.968	3.938	1.553	78.03	35.5
U.S. Dollar	0.602	1.000	1.630	244.0	9.40	2.308	3.455	1.895	1.317	61.70	16.0
Deutsche Mark	0.261	0.596	1.000	78.41	31.18	0.824	1.182	68.44	0.489	20.37	0.8
Japanese Yen	0.088	0.192	0.085	100.0	32.27	10.37	14.13	78.64	3.401	256.6	10.0
French Franc	0.037	0.086	0.037	26.47	1.0	2.643	3.599	80.03	1.575	68.33	2.7
Swiss Franc	0.017	0.039	0.017	9.539	3.766	1.0	1.452	75.00	0.521	24.75	0.5
Dutch Guilder	0.023	0.050	0.023	70.77	2.779	0.734	1.000	0.063	0.322	18.16	0.4
Italian Lira	0.019	0.042	0.019	127.8	4.804	1.310	1.707	0.070	0.067	39.63	0.1
Canada Dollar	0.609	0.760	0.609	186.2	7.871	1.921	2.616	145.6	1.1	47.50	1.9
Belgian Franc	1.382	1.659	1.382	4.909	15.51	4.044	5.508	305.5	2.105	100.0	4.0

WEEKLY PRICE CHANGES

Commodity	1984	1983	1982	1981
Aluminum	1100	1100	1100	1100
Copper	1100	1100	1100	1100
Gold	1100	1100	1100	1100
Iron Ore	1100	1100	1100	1100
Nickel	1100	1100	1100	1100
Potatoes	1100	1100	1100	1100
Soybean Meal	1100	1100	1100	1100
Wheat	1100	1100	1100	1100
Zinc	1100	1100	1100	1100

REVIEW OF THE WEEK

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LONDON STOCK EXCHANGE

MARKET REPORT

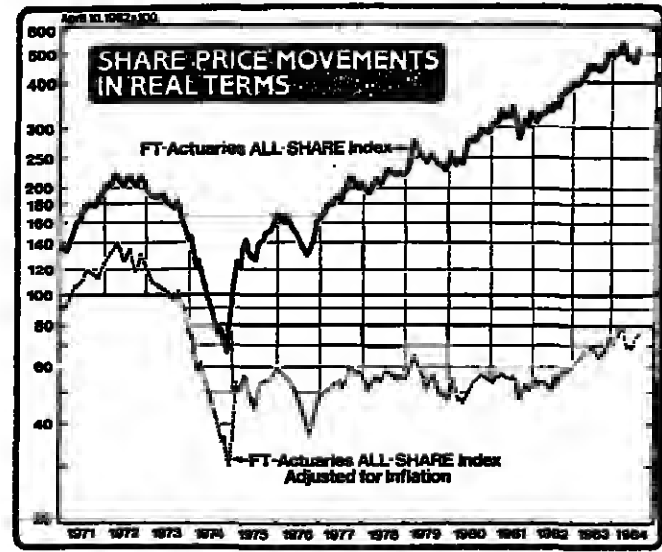
Currency movements dominate markets and Gilts rise as sterling rallies sharply against dollar

Account Dealing Dates
First Return Last Account
Dealing Dates Day

the latest £100m huddling issue which was oversubscribed on application, started life at a small discount but soon rallied to a £100 paid form, the 101 per cent 2004 stock issued to 293 before meeting with persistent support and recovering to close at 301.

Midland Bank rise

Three of the four main clearing banks met with profit-taking and closed at the day's lowest. Barclays settled 4 down at 453p, while NatWest finished 4 off at 503p. Midland, however, gained 8 to 340p, after 345p, on reports that the sale of Crocker National's San Francisco headquarters was near completion. Bank of Scotland hardened a couple of pence for a two-day gain of 10 to 380p ahead of next Tuesday's interim results. Among overseas banks, Standard and Chartered slipped 7 to 473p.



Strong and Fisher flat

Once again, Footwear issues attracted a fair measure of attention. Recent speculative high-flyer Strong and Fisher continued to profit-taking and finished 13 lower at 150p. Newbold and Burton eased a couple of pence at 86p in front of next Wednesday's interim results. Stead and Simpson A attracted fresh support and closed 9 up at 183p.

Boots improve

Small falls predominated among the miscellaneous industrial leaders after an indecisive trading session. Boots, however, maintained the upward momentum prompted by a broker's favourable circular and closed 4 up at 181p. Hansen Trust hardened a few pence further to 240p along with Bechem to 285p. Elsewhere, Cookson improved 5 further to 200p, still reflecting the market's rise of 30 to 285p in a restricted market. Bespaek were noteworthy at 325p, up 13 but Fisons, a strong market earlier in the week following the interim figures, encountered occasional profit-taking and gave up 5 at 245p. Broken Hill Proprietary responded to the quarterly figures with a rise of 12 at 692p. Bought recently on its overseas earnings potential, White, due to report interim figures next Thursday, eased a penny to 177p. Bid speculation persisted in Birmid Quacast, which touched 95p before settling 2 firmer on the day and 10 on the week at 94p. S. W. Stages hardened 3 to 172p, while Habitat Mothercare rose 6 at 318p, but Woolworth gave up 5 more to 495p.

Oils firmer

The encouraging recent performance of international crude oil prices, talk of further rises to forecast petrol prices and persistent rumours of further oil discoveries in the South China Sea led to renewed demand for Oils. BP were particularly wanted and advanced to 523p before easing to close a net 4 up at 517p. Other firm spots included LASMO, 5 better at 243p, Trentol, a like amount to the good at 225p, and British, which bartered a couple of pence to 255p.

Enterprise

Enterprise attracted modest profit-taking and slipped 2 to 200p ahead of the interim figures, expected on Monday. Shell and Royal Dutch remained active markets. Profit-taking depressed Shell to 67p at one point but the shares rallied well after-hours to close only 8 down on balance at 681p. Royal Dutch were finally 1 cheaper at 241, after a 10p in second-line issues. Cliff Oil edged up 2 more to 85p—up 13 on the week—reflecting optimism over the company's Chesapeake oil field. Ireland's Eglinton Oil, 148p, and Bryson Oil, 57p, put on 13 pence, while the recent good results boosted Australia's Bridge Oil 4 to 182p.

Amalgam

Amalgam Plantations, Lawrie were market a point higher to 111, following the sharply increased preliminary profits. Elsewhere, Applied Botanics, suppliers of houseplants in Marks and Spencer, were a fraction harder at 61p; the 12 per cent Convertible began late at 2107 and closed at 2110.

Late rally in Golds

An uninspiring start by gold and related sectors of mining markets was followed by a drab market session as the dollar continued to make headway against leading currencies. However, the picture changed dramatically during the afternoon when the dollar declined ahead of cuts in transatlantic interest rates. This produced an immediate upsurge in both bullion and Gold shares.

Bullion rose sharply

Bullion rose sharply to close at 82.5 higher at \$346.5 an ounce—its best level since the end of August—while a rapidly rising dollar pushed gold prices against the U.S. currency encouraged strong Johannesburg and Coitnoleat support for South African Golds. American buying followed and share prices ended the day with good gains throughout the list. The Gold Mines index, registering its fourth consecutive improvement, moved up 3.2 more to 542.3, thereby extending the gain on the week to one of 28.3 following settlement of the first official strike by black mine-workers.

London-domiciled Financials

London-domiciled Financials provided an outstanding performer in Consolidated Gold Fields; having dropped from 483p to 465p following the disappointing preliminary figures announced on Tuesday, the shares rallied strongly to close 21 better at 497p. Ho Tung-Zing dipped to 52p before rallying to close a net 3 cheaper on the day and 33 down on the week at 565p after Wednesday's interim results.

Elsewhere, Cornwall's Geover

Elsewhere, Cornwall's Geover Tin rallied to reflect the recent strength of tin values on the London Metal Exchange and added 5 more at a 1984 high of 195p.

Traded Options finished

Traded Options finished a lively week, attracting 5,642 contracts, a 10 per cent increase on the daily average to 5,467. Overseas earnings potential stimulated further support of Jaguar which recorded 897 calls, 383 in the December 1983's 3 up at 22p. The WTS-FP account for 829 calls and 834 puts.

Leading Properties opened

Leading Properties opened easier and in the absence of any worthwhile business stayed that way. Land Securities encountered sporadic late offerings and closed 5 down at 279p. Elsewhere, the market was flat at 690p gave up 10 of the previous day's gain of 25, while Chesterfield lost the same amount at 40p. Against the trend, Dares Estates attracted speculative demand and gained 2 to 241p. The US-quoted Geover Square Properties improved 4 to 32p.

Circle attracted

Circle attracted sporadic support and hardened 3 to 433p. ICI attracted occasional support and edged up to 648p until a bout of arbitrage selling brought the price sharply back to 640p; the shares subsequently picked up again on early Wall Street influences and the close was 4 higher on balance at 648p. Laporte encountered profit-taking in the wake of the interim results and shed 18 to 350p.

orders met

orders met occasional selling; Grattan eased a couple of pence to 104p on further consideration of the interim figures, while Freemans, mid-term results scheduled for next Monday, shed 8 at 120p.

Interest tended

Interest tended to fade for Electrical leaders, but Thorn EMI continued its recovery movement to close 5 up at 430p for a rise of 33 on the week. Microcosm, still reflecting the market's rise with IBM, put on 20 more to 840p, while International Signal rose to 264p following news of the contract from IBM before settling only 4 higher on the day at 285p. Further consideration of the interim figures left First Castle 9 cheaper at 118p.

A more lively week

A more lively week in the Engineering leaders finished on a quieter note. TI edged up a couple of pence to 346p, but White, due to report interim figures next Thursday, eased a penny to 177p. Bid speculation persisted in Birmid Quacast, which touched 95p before settling 2 firmer on the day and 10 on the week at 94p. S. W. Stages hardened 3 to 172p, while Habitat Mothercare rose 6 at 318p, but Woolworth gave up 5 more to 495p.

Secondary Stores continued

Secondary Stores continued to present an irregular profile. Liberally advanced 10 to 300p, the non-voting shares 6 better at 173p, following the increased interim profits and dividend. Superdrug, due to reveal first-half figures on Monday, firmed 5 to 390p; analysis predict pre-tax profits of around £3.8m. Mail-

Buyers continued

Buyers continued to show a live interest in the sector and the price moved up to its best level yet of 194p before closing a net 3 up on the day and 14 bigger on the week at 192p.

H. P. Bolmer gave up

H. P. Bolmer gave up 8 for a five-day fall of 30 at 170p as loose holders continued to reduce existing positions on fading take-away home sentiment has been affecting throughout the week by the generally unenthusiastic response of leading brokers to the company's presentations at its Hereford headquarters.

Building issues willed

Building issues willed in the absence of fresh interest. Redland, a drab market earlier in the week, slipped 9 to 260p, while RMC, interim results due next Wednesday, shed 4 to 358p. Rugby Portland Cement gave up 2 to 119p despite its Australian subsidiary's good half-year results. Against the trend, Blue

The Dow Jones average

The Dow Jones average, however, staged a rapid turnaround to end over 11 points higher at the end of the first hour. London followed and the FT Industrial Ordinary share index settled 3.2 higher on balance for a gain of 12 points on the week at 871.4, its highest level for four months.

European Investment Bank

European Investment Bank, which was oversubscribed on application, started life at a small discount but soon rallied to a £100 paid form, the 101 per cent 2004 stock issued to 293 before meeting with persistent support and recovering to close at 301.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Fri Sept 21 1984, 1984, Since Completion. Lists various equity groups like Building Goods, Capital Goods, etc.

NEW HIGHS AND LOWS FOR 1984

Table with columns: NEW HIGHS (107), NEW LOWS (18). Lists various stocks and their high/low values for 1984.

RISES AND FALLS

Table with columns: RISES, FALLS. Lists various stocks and their price changes.

ACTIVE STOCKS

Table with columns: Stock, Closing Day's price change, Closing Day's price change. Lists active stocks and their price changes.

THURSDAY'S ACTIVE STOCKS

Table with columns: Stock, Last Change, No. of Shares, Last Change, No. of Shares. Lists Thursday's active stocks.

5-DAY ACTIVE STOCKS

Table with columns: Stock, Last Change, No. of Shares, Last Change, No. of Shares. Lists 5-day active stocks.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index, Sept 21, Sept 20, Sept 19, Sept 18, Sept 17, Sept 16, Year. Lists various stock indices and their values.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: Index, High, Low, High, Low, Daily Gilt Edged, Daily Equities, Daily Value. Lists high and low values for various indices.

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, September 20, 1984

Table with columns: Stock, + or -, % Change. Lists various stocks and their percentage changes.

OPTIONS

First Last Last For Birmid Quacast, Acorn Computer, Combined Technologies, Rowntree Mackintosh, Atlantic Resources, Bristol Oil and Minerals, Bala, Bryson, North Oct 5 Oct 19 Jan 10 Jan 21 Kalgudi, Riley Leisure, International Petroleum, Belgrave and Bristol: Channel Ship Repairs. No puts were reported, but doubles were arranged in Eglinton Oil and Wick Oil, Sangers, RMC, Marley, Gas and Birmid Quacast.

EQUITIES

Table with columns: Issue price, 1984, Stock, Opening price, % change. Lists various equities and their prices.

FIXED INTEREST STOCKS

Table with columns: Issue price, 1984, Stock, Opening price, % change. Lists various fixed interest stocks.

"RIGHTS" OFFERS

Table with columns: Issue price, Latest offering, 1984, Stock, Opening price, % change. Lists various rights offers.

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هكذا صدقاتنا

STOCK EXCHANGE DEALINGS

STERLING ISSUES BY FOREIGN GOVTS & INTNL INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT

FOREIGN STOCKS

CORPORATIONS - FOREIGN

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Details of business done shown below have been taken with consent from the Stock Exchange Official List and should not be reproduced without permission.

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

They are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

Commercial, Industrial, A-B

Commercial, Industrial, A-B

Commercial, Industrial, A-B

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Commercial, Industrial, A-B

LONDON TRADED OPTIONS

Table with columns for CALLS and PUTS, listing various options with their respective prices and dates.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., Last, and Stock, listing various European options.

PLANTATIONS

Table listing various plantation companies and their stock prices.

RAILWAYS

Table listing various railway companies and their stock prices.

SHIPPING

Table listing various shipping companies and their stock prices.

UTILITIES

Table listing various utility companies and their stock prices.

WATER WORKS

Table listing various water works companies and their stock prices.

APPOINTMENTS

Commercial director for British Rail Engineering

COMMERCIAL DIRECTOR FOR BRITISH RAIL ENGINEERING

Devon and Cornwall regional board of LLOYDS BANK

BRITISH RAIL ENGINEERING

Devon and Cornwall regional board of LLOYDS BANK

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BRITISH RAIL ENGINEERING

Devon and Cornwall regional board of LLOYDS BANK

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Maps, Allied Unit Tr. Maps, and others, with columns for name, value, and change.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including categories like British Group-Continued, Key Fund Managers Ltd, and various international and domestic funds.

Table listing insurance companies and their products, including various life and general insurance policies.

INSURANCES

Table listing insurance companies such as Abbey Life Assurance, Alamy Life Assurance, and others, with details on their services.

Advertisement for Fleet Street Letter, a financial newsletter, with the headline 'In today's nervous stock market, should YOU... Buy? Sell? Do Nothing?' and details about the publication.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and overseas funds, including Liberty Life Assurance Co Ltd, National Provident Institution, and various pension funds.

Table of financial data for insurance and overseas funds, including Sava & Procter Bros, Target Life Assurance Co Ltd, and various international investment funds.

OFFSHORE AND OVERSEAS

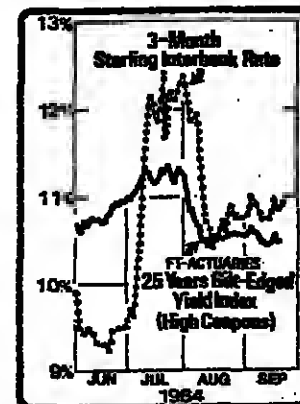
Table of financial data for offshore and overseas funds, including various international investment funds and offshore structures.

Table of financial data for money funds and bank accounts, including various money market funds and bank account offerings.

THE LEX COLUMN

The 5 per cent dollar see-saw

Index rose 3.2 to 871.4



Perhaps the only truth left un-muddled by the dollar's 5 per cent climb against the Deutsche mark this week...

Brittan denounces Disraeli 'myths'

By Malcolm Rutherford DISRAELI is out. Peel is in. The denunciation of the former Tory idol most associated with the term One Nation...

Mr Brittan, speaking near Tamworth, Staffs, said: "Peel was not a lovable man. His virtues commanded respect rather than affection."

"He lacked wit and charm—above all he lacked that elusive magic from which golden myths are spun. He was solidly northern, solidly commercial, and in spirit (if not background) solidly middle class."

"Many years later, Disraeli noted wistfully of him: 'He managed his election like his temper—neither were originally good'."

"It was for that reason that his memory had been erased by his 'great enemy and successor, that brilliant showman Disraeli'."

"Disraeli's words are quoted, re-quoted and frequently misquoted," Mr Brittan went on. "But no primrose blooms for Sir Robert Peel."

Yet Mr Brittan said: "Peel was a modern Conservative as Disraeli was not. Peel's economic liberalism, his zeal for judicious reform, his search for efficiency and his deep sense of moral responsibility are, I believe, just those qualities and attributes with which this Conservative Government is associated."

The watchwords of the Tamworth Manifesto, which Mr Brittan claimed marked the beginning of the modern Conservative Party, were "the correction of proved abuses and the redress of real grievances."

The Home Secretary continued: "We since 1978, have had to correct abuses which grew up slowly and covertly over the years behind a smoke screen of good intentions and progressive rhetoric."

Left wing deviationists in the Conservative Party, however, will continue to be tolerated, Mr Brittan said: "The views of such as Ian Gillmor and Francis Pym are legitimate and well founded in important aspects."

Mr Brittan also noted that Peel had been "one of our greatest Home Secretaries." The reaction to his setting up of the Metropolitan Police — "the prototype of modern policing" — reminded Mr Brittan of nothing so much as the reaction in certain quarters to the equally modern and equally misunderstood Police and Criminal Evidence Bill.

The speech came two weeks before the annual Conservative Party Conference where Disraeli is often quoted in veiled attacks on Mrs Thatcher. In a pre-emptive strike, Mr Brittan concluded: "The modern Conservative Party which will gather soon in the Jaguar is the living legacy of Robert Peel."

operations traded profitably again. They did so at a much-reduced level. BL's extraordinary losses jumped from £1.8m to £12.7m reflecting the mainly £7m needed to cover rationalisation of the Jaguar dealer network in the U.S.

Turnover rose from £939m last time to £1,008m. Direct exports accounted for £508m (£547m last year). BL paid interest of £35.6m (£41m) and tax of £3m (£4.1m). Minority interests contributed £1.5m (£2.9m) and, after the extraordinary items the net loss of £34.9m (£48.4m) was reached after charging depreciation of £76m (£88.3m).

BL's first-half production fell from 293,000 to 257,000 vehicles and sales remained steady at £37.7m. Although the Land

There were signs of a "modest recovery" in the UK truck market, but demand for buses remained severely depressed.

BL "continues to make significant progress with its efforts to contain costs, improve its competitiveness and introduce new models," he said. After the statement the BL share price slipped back 2p to 42p.

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TUC pledges to keep miners' union afloat

BY DAVID GOODHART, LABOUR STAFF

THE TUC yesterday pledged itself to ensuring the financial survival of the National Union of Mineworkers when its "inner cabinet"—the Finance and General Purposes Committee—launched a fund-raising campaign directed at all 98 affiliated unions.

The decision reaffirmed part of the three-point support plan drawn up between TUC leaders and the NUM before the Brighton Congress earlier this month. But last night Mr Arthur Scargill, president of the NUM, failed to persuade the steel unions that the same plan demanded a complete halt to steel production.

Mr Scargill proposed that the steel plants should be reduced to a core-and-maintenance basis only but this has been persistently rejected by the steel unions who have, when they were able, supported almost 100 per cent production.

After the meeting, Mr Bill Sims, general secretary of the industry's biggest union, the

Iron and Steel Trades' Confederation, did not rule out more vigorous support for a "quota" compromise.

He said: "We might see a way of giving some assistance." However the ISTC executive is highly unlikely to alter its present negative attitude to steel cuts and does not feel under any greater pressure as a result of the Brighton statement, which stipulated that unions should agree to take supporting action.

Financial support is likely to be more forthcoming. The TUC is asking unions to increase their donations to the Miners' Solidarity Fund, a trust fund which gathers money nationally and redistributes it in areas as to alleviate hardship.

In addition, unions will be asked to consider making interest-free loans available to help finance the NUM's structure. An NUM report before the TUC committee spell out its serious financial plight, both

nationally and in some areas. The union calculates that it needs about £150,000 a week simply to pay staff, electricity bills, etc.

At the start of the strike, the union nationally had funds of £4.7m, while some areas—such as Yorkshire which had £7.5m—were slightly richer. Yet despite several million pounds of aid already received from the labour movement, union funds are very low.

TUC officials stressed that any money raised for the solidarity fund would go towards hardship rather than pickets. But some union leaders privately accept that many of their members are still unwilling to give money to a strike they associate with picket-line violence.

One of the largest pickets seen in Yorkshire since the blockade of the Orgrave coke works in June assembled yesterday outside the Malby colliery, near Rotherham.

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Battle looms on U.S. trade policy

BY STEWART FLEMING IN WASHINGTON

A MAJOR battle over U.S. trade policy threatens to break out in Congress next week after a surprise 86-0 Senate vote late on Thursday. Senate approved a catch-all package of trade legislation which threatens to give protectionist lobbies a fresh opportunity to curb imports ranging from steel to tuna fish.

Mr William Brock, the U.S. Special Trade Representative, Board conceded yesterday that the legislation, which awaits House of Representatives action, could force the Administration to fight once again some of the protectionist battles it thought it had already won.

He said that one reason the Senate vote was so overwhelming was that special interest groups had decided to save their lobbying for the House of Representatives rather than

fight in the Senate. The House is traditionally much more responsive to lobbying pressures on trade issues.

"It is not our intention to let this Bill become a protectionist Bill. If it does, it will neither pass nor become law," Mr Brock said.

The vote took the Senate majority leader, Mr Howard Baker, by surprise. "I thought that even if we did bring the Bill up, it would never pass."

The package is a mixture of measures, many of which the Reagan administration has supported in the grounds that their thrust is towards liberalising the international trade system.

It includes approval of a 10-year extension of the generalised system of preferences which gives developing coun-

Prime rate Continued from Page 1

weekend are likely to focus on whether the extreme swings of the dollar, particularly against the DM, can be regarded as disorderly and whether the authorities could do anything to foster a smoother path. Yesterday, however, the idea of co-ordinated intervention by central banks still seemed out of court.

Mr Nigel Lawson the Chancellor, is known to be strongly opposed to such an idea in general.

West German officials said the intervention marked a reaction to "disorderly markets" rather than a policy change. The officials said the West German central bank has accumulated considerable reserves from dollar investments, and the intervention could be seen as a revealing of those reserves.

The market's confusion was accentuated by reports from Frankfurt and Zurich foreign exchange dealers that the Soviet Union was selling large amounts of dollars.

In London sterling benefited from the U.S. currency's sharp fall in close 2.6 cents higher at \$1.2475, after hitting a low of \$1.2455 in earlier trading. In New York it traded at \$1.2425.

The pound's trade-weighted index, which from Monday is

to be renamed the sterling exchange rate index and will be calculated hourly in London until 4 pm, closed up 0.6 points at 76.9.

In New York, the U.S. currency was marked sharply lower from the outset of trading after a larger-than-expected 0.5 per cent increase in the August consumer price index (CPI).

Further confusion arose in New York markets when the Federal Reserve Board announced a mid-afternoon press conference. In the event it was to announce that Mr E. Gerald Corrigan, president of the Federal Reserve Bank of Minneapolis is to take over as president of the Federal Reserve Bank of New York when Mr Anthony Solomon retires on January 1 1985.

The Prime Rate cut was the fifth change in the rate this year and first reduction in the benchmark bank lending rate by a major U.S. bank for 17 months, and one which would appear to represent another boost to President Reagan's reelection chances.

It follows a sharp decline in U.S. money market rates, particularly the key overnight fed funds rate, and a marked change in the perception of

Wall Street's senior analysts. They now believe the U.S. Federal Reserve Board has adopted a more accommodating monetary stance.

Analysts believe this change reflects a range of factors including the strength of the dollar. While gold and silver rallied, prices in New York's other financial markets sank in late trading, spurred by disappointment that no other major U.S. bank followed Morgan Guaranty's lead in cutting the prime rate.

Other short term money market rates edged up by between five and 10 basis points despite the low funds rate which closed at the 11 per cent level. Since this month's start the funds rate has fallen from 11.51 per cent to around 11 per cent, dragging down with it other short-term rates.

In U.S. credit markets, the Treasury long bond gave up all of its gains earlier in the week to close 1/4 lower on the day at 102 1/2. In equity markets prices returned sharply lower in late trading. The Dow Jones Industrial Average up over 11 points at one stage, closed 14.80 points down on the day at 1,200.74 having sunk below the 1,200 level at one point.

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MAN IN THE NEWS

Sir Percy's success behind the scenes

BY GODFREY HODGSON

SUCCESS, the Chinese say, has many fathers: defeat is always an orphan. So now that it looks as though an agreement will be signed in Peking early next week that will give Hong Kong at least a sporting chance of an acceptable future, it is naturally being stressed in Whitehall that the negotiations have been a team effort.

The signals have been called by the Prime Minister and Sir Geoffrey Howe, and much of the running has been done by Sir Edward Youde, the Governor of Hong Kong, and by our ambassador in Peking, Sir Richard Evans.

But the person who can both



Sir Percy Cradock

claim a large share of the credit for the long negotiations, and take the greatest personal satisfaction in their outcome, is Evan's predecessor in Peking, Sir Percy Cradock. For the past nine months he has doubled as the official in charge of the Hong Kong talks at the Foreign Office, and as Mrs Thatcher's personal foreign policy adviser at Number Ten.

Cradock has been fascinated by China since he was at Cambridge, where he read English. "I educate myself," and then got a First in law, which he taught as a don at St John's. Friends remember him being a "dominant" figure as President of a Union whose other stars included Norman St John Stevas, Peter Shore, and Sir Geoffrey Howe. Ironically, in view of their working relationship now, in those days Cradock was an officer of the Cambridge Labour Club.

After joining the Foreign Office as a late entrant, he persuaded his masters to let him study Chinese, in the first instance because he wanted to read classical Chinese poetry.

He has seen the Chinese at their best and at their worst. He was co-tutor of the British embassy in Peking during the Cultural Revolution, when a mob burned the building over his head. He and his colleagues were virtually prisoners for months, and on occasion were taken out and dragged round the streets, a little like aristocrats during the French Revolution. When he returned as ambassador in 1978, it was all sweetness and light.

Cradock knew that his main task would be to negotiate the best possible future for Hong Kong. He knew from the start there was no chance of Britain retaining sovereignty. The negotiations were extraordinarily complex and difficult, in part because the Chinese regarded the colony as part of their own territory, in part because they had to be persuaded that they had an interest in reassuring the people of Hong Kong about what would happen after 1997, so that people would stay long enough to hunt over a working capitalist society.

Cradock is a diplomat in the classical style, complete with pin-stripes, horn-rims, and the traditional passion for anonymity.

And this was a classical diplomatic negotiation, of a kind that is not common in an age of television diplomacy. It took months of patient work to get the Chinese to sit down and talk at all. There were times when the talks were saved by the choice of an appositive word, or by a sure-footed detour round the rock of a principle that blocked the track.

In retrospect, there were two crucial turning-points among many: in September a year ago, when the British accepted that it was a waste of time to talk about British administration after 1997, and in July this year, when the Chinese made up their mind they wanted a deal.

"What is pleasant," says Sir Percy, "is that one can look back and say that what we have got is the best we could get for the people of Hong Kong. Now it

WORLDWIDE WEATHER

Table with weather forecasts for various cities including London, Paris, Rome, and others. Columns include city, temperature, and weather conditions.

BL cuts loss Continued from Page 1

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